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**HIGHER EDUCATION GOVERNANCE IN ENGLAND:  
GOVERNING BODY MEMBERS' PERCEPTIONS OF  
THEIR ROLES AND THE EFFECTIVENESS OF THEIR  
GOVERNING BODIES**

**A thesis submitted for the degree of  
Doctor of Philosophy**

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## **ABSTRACT**

Much attention has been paid in recent years to issues associated with corporate governance and there have been significant changes and developments in the governance arrangements in the UK higher education sector. In this context, the research reported here explores the perceptions held by governing body members in English higher education institutions of the roles of their governing bodies. Governing body members' perceptions of the effectiveness of their governing bodies are also considered.

The research uses a series of case studies, involving the collection and analysis of data gathered in interviews with governing body members and senior staff in seven English higher education institutions. These data are used to explore the views of governing body members with regard to the roles and effectiveness of their governing bodies, and to compare their perceptions with external expectations. The predictions of governance theory with regard to the roles of boards and board members are also considered and compared to the lived experience of those roles as perceived by governing body members.

The study reveals some degree of variability in the approaches to governance at different types of institution, but also many common features. The latter include marked differences between the roles undertaken by governing body members and the roles envisaged for them in formal guidance. Governing body members are shown to be content to delegate their responsibilities for educational character to academics. Effectiveness in



higher education governance is revealed to be complex and multi-faceted. The particular importance to effectiveness of board processes and interaction between governing body members is demonstrated. It is shown that no single governance theory offers a full explanation for the described behaviour and approaches of governing body members, but that aspects of different theoretical positions offer useful explanatory insights when taken together.

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## **LIST OF ABBREVIATIONS USED**

AHUA	Association of Heads of University Administration
BIS	Department for Business, Innovation and Skills
CNAA	Council for National Academic Awards
CUC	Committee of University Chairs (previously Committee of University Chairmen)
CVCP	Committee of Vice-Chancellors and Principals (now Universities UK)
DES	Department of Education and Science
DfEE	Department for Education and Employment
DfES	Department for Education and Skills
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange (Index)
GuildHE	Guild of Higher Education
HEFCE	Higher Education Funding Council for England
HEPI	Higher Education Policy Institute
HESA	Higher Education Statistics Agency
KPI	Key performance indicator
LFHE	Leadership Foundation for Higher Education
NAB	National Advisory Body
NCIHE	National Committee of Inquiry into Higher Education
NHS	National Health Service
NLC	National Leadership Council
NSS	National Student Survey
OECD	Organisation for Economic Co-operation and Development
OPM	Office of Public Management
QAA	Quality Assurance Agency
PCFC	Polytechnics and Colleges Funding Council
RAE	Research Assessment Exercise
RDA	Regional Development Authority
SCOP	Standing Committee of Principals
UFC	Universities Funding Council

UGC	University Grants Committee
UoA	Unit of assessment
UUK	Universities UK (previously Committee of Vice-Chancellors and Principals)



## **Chapter 1: Introduction to the study**

### **1.1 Context**

#### *1.1.1 The development of interest in higher education governance*

Much attention has been paid in recent years to the governance of higher education institutions in the United Kingdom. This attention has partly been associated with a growing practical concern about the effectiveness of the governing bodies of those institutions, expressed by the national higher education funding bodies - the funding councils for England, Scotland and Wales, and the Department for Education in Northern Ireland - and by sector-based bodies, particularly that which brings together the chairs of universities, the Committee of University Chairs (CUC). This concern has also been reflected since 2004 in the activities of the Leadership Foundation for Higher Education (LFHE), which has played a significant role in professionalising higher education governance, through its training programmes and research into topics such as effectiveness in governance (Schofield, 2009).

Increasing interest in governance has also been prompted by developments in the private sector, following the publication of the Cadbury Report on corporate governance (Cadbury, 1992), which 'led to a worldwide movement for the reform of corporate governance' (Stiles and Taylor, 2001, v). After the Cadbury Report there came in due course the Greenbury (1995), Hampel (1998), Turnbull (1999) and Higgs (2003) reports, all of which

updated the overall requirements for corporate governance in the private sector in the UK and contributed to the serial development of the Combined Code for Corporate Governance (FRC, 2010, in its latest iteration). These private sector developments provided strong exemplars for the higher education sector. The CUC published its first governance guide in 1994, which by now has developed to the point that it incorporates a formal 'Governance Code of Practice' (CUC, 2009) with which institutions are expected by the funding councils to comply, or to explain why they do not.

Although a range of issues associated with power, authority and decision-making in higher education institutions have been the subject of previous study, relatively little research has been undertaken specifically on higher education governance in the UK, notwithstanding the considerable practical attention paid to the subject in the past two decades. Moreover, some of that research has been concerned with system level governance as opposed to institutional governance. In addition, as I shall demonstrate, particularly in chapter 3, even where research into higher education governance has been carried out, that research has taken only limited account of corporate governance theories, and little attention has been paid to the perceptions of the people most closely concerned with governance – i.e. the members of the governing bodies of higher education institutions. There has also been only limited study of perceptions of the overall effectiveness of the governance arrangements of higher education institutions in the United Kingdom. These areas will therefore be the focus of the work described in this thesis.

### 1.1.2 *The researcher's background*

Although the most significant aspects of the context for this research are those touched on above, which will be explored much more fully in chapters 2 and 3, a further contextual aspect to the study lies in my own background. While I believe that the ways in which organisations are governed is a topic of considerable intrinsic interest, my personal interest in higher education governance stems in large part from having been involved in the practice of university governance as secretary to the governing body at Cranfield University from 1999 to 2007. My work in that capacity led me to become increasingly interested in the ways in which governance arrangements in the higher education sector had developed, and were continuing to develop. This was associated with a growing curiosity as to the views on governance of those most involved in that process – i.e. the external and internal members of governing bodies, and those members of senior university staff routinely in attendance at governing body meetings.

My background will have affected aspects of the ways in which I have conducted this study. For instance, at a practical level, it undoubtedly had a positive effect on my capacity to gain access to some institutions. My prior knowledge of the sector, and of higher education governance in both theory and practice, could in principle also have had less positive effects, for example through influencing my interpretation of the views expressed to me by interviewees. To address this, I have operated on the basis of setting aside my presuppositions, or bracketing (see sub-section 4.3.1). As a final point, I should add that neither Cranfield University, where I was last



employed in higher education, nor the Open University, where I was registered while undertaking this research, are amongst the case study institutions reported on in this thesis.

### *1.1.3 Timing of the research*

The research was undertaken during the period 2008-2012. A scoping exercise was undertaken between May and September 2009 (see section 4.4), with the primary data collection being carried out between November 2009 and December 2010. Data analysis began in the summer of 2010, but mainly took place from spring 2011 through to the end of that year.

## **1.2 Research aims and questions**

### *1.2.1 Overall aims of the research*

The overall aims of the research reported in this thesis were:

- (a) to explore how members and other attendees of the governing bodies of English higher education institutions perceive the roles of their governing bodies, and their own roles as individuals involved with those governing bodies; and
- (b) to explore how members and other attendees of the governing bodies of English higher education institutions perceive the concept of effectiveness in relation to higher education governance, and the ways in which they contribute to enabling their governing bodies to be effective.

These overall aims will be considered in the light of the range of literature concerning governance theory and practice discussed in chapter 3.

They will also be explored in the context of the expectations as to the roles of governing bodies and their members promulgated by bodies such as the higher education funding councils, the CUC and the LFHE, while bearing in mind, and considering the explanatory value, if any, of predictions as to the nature of governance roles derived from governance theory. Similarly, perceptions as to what constitutes effectiveness will be considered in the light of expectations derived, again, from both formal guidance as to supposed best practice, and from previous studies of effectiveness in governance.

### 1.2.2 *Specific research questions*

Given the overall research aims, the specific research questions chosen were:

- What are the main roles of higher education governing bodies, as perceived by governing body members and attendees?
- How do the members and attendees of higher education governing bodies perceive their individual roles, and the ways in which they contribute, or not, to the overall roles of the governing body as a whole?
- What do governing body members and attendees regard as effectiveness in the context of the work of the governing body of a higher education institution?
- What factors do governing body members and attendees regard as the most important contributors to governing body effectiveness?

In addition to the primary research questions, a number of subsidiary topics were also specified, concerning the relevance of governance theory, issues associated with governance failures and the question of institutional autonomy (see chapter 4, sub-section 4.1.2).

### **1.3 Research methodology, design and methods**

#### **1.3.1 *Research methodology and research design***

Given the research aims and the specific research questions set out above, it was felt appropriate to approach this study from a standpoint recognising aspects of the tenets of both critical realism and interpretivism and constructionism (see, for example, Bryman and Bell. 2007, 17-25). This approach is discussed further in chapter 4. I have also approached the research on the basis that the research process needs to be treated, at least in part, as a craft, as proposed by Daft (1983).

As the focus of the study involved an in-depth consideration of governing body members' perceptions of their roles, and of issues around the effectiveness of their governing bodies, I concluded that the research should be undertaken on a qualitative basis, using semi-structured interviews as the primary method of data collection. Initially I concluded that a case study research design would be appropriate, as case studies involve 'an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context' (Yin, 2009, 19). I therefore approached the collection of my data on this basis, identifying a number of case study institutions, chosen to reflect aspects of the diversity of the UK higher education sector, with a focus on English universities and university colleges; I adopted a purposive approach to the selection of the individual institutions.

Potential case study institutions were approached via their university secretaries (or equivalent) with the assistance of the Association of Heads of University Administration, of which I was formerly a member. This generic approach brought expressions of interest, and of willingness to participate in the research in principle, from a number of institutions. It was supplemented by specific approaches to selected individuals already known to me. (See chapter 4 for further details of the case study institutions.)

Subsequently, in analysing my data, I found that analysis on a case by case basis – i.e. an institution by institution basis – provided less overall insight than consideration of the data relating to the cases as a whole. Stake (2006) refers to a group of cases studied in this way as a quintain, where the ‘quintain ... is an object or phenomenon or condition to be studied’ (Stake, 2006, 6; this approach is discussed further in chapter 4). I therefore modified my research design to accommodate a thematic content analysis of the data gathered across all the case study institutions, whilst still noting differences between the institutions where appropriate.

### 1.3.2 *Research methods*

The principal research method chosen involved gathering primary data through semi-structured interviews with governing body members and attendees. Taking a semi-structured approach ensures that a consistent range of topics can be raised with all interviewees, whilst allowing for variability from interview to interview. Given the arguably elite nature of the interviewees, an additional consideration was that it seemed probable that

such interviewees would be more likely to agree to take part in one-to-one interviews, than other types of discussion, such as focus groups.

Consideration was given to using other data collection methods, including a questionnaire survey, the review of documentation such as agendas and minutes, and the observation of board meetings. It was decided not to attempt to carry out a questionnaire survey, but use was made of meeting-related documentation, and observation of meetings was carried out at one institution. In addition, a matrix providing summary information about selected theoretical perspectives on governance was discussed with most interviewees at the end of their interviews. However, these methods were supplementary to the primary collection of data through semi-structured interviews. The rationale for the decisions made is set out in chapter 4, where further information about the interview process is also provided.

## **1.4 Outline of the approach taken in the thesis**

### **1.4.1 *Contextual material, literature review and methodology***

In chapter 2 relevant features of the historical development of the British and, where appropriate specifically English, higher education system will be discussed, together with details of how the current governance arrangements of British higher education institutions have developed. The place of the study in governance in higher education in the context of broader

aspects of the study of power, authority and decision-making in universities will also be briefly considered.

Pertinent aspects of the existing literature concerned with governance will be reviewed in chapter 3. This will encompass brief consideration of definitions of governance, and the development of governance as a concept in the commercial and business sector, before turning to an exploration of the range of theoretical approaches to governance developed through the course of the twentieth century. Chapter 3 also addresses recent research on governance in the private sector, before turning to governance in the public and voluntary sectors, ultimately concentrating on previous research into higher education governance.

The aims of the research presented in this thesis, summarised in section 1.2 above, will be addressed more fully in chapter 4, as will the ontological and epistemological issues, research methodology, research design and research methods touched on in section 1.3 above. Ethical considerations will also be addressed, and it will be shown that established ethical principles have been followed, with approval to undertake the work being obtained from the Open University's ethics committee, and that ethical issues that arose during the research were dealt with appropriately. Finally, questions of validity and reliability, and credibility and plausibility, will also be considered.

#### 1.4.2 *Data analysis, discussion and conclusions*

As already noted, data were principally collected through semi-structured interviews with members and attendees of the governing bodies of the case study institutions. These data are presented and analysed in chapters 5 to 8, where subsidiary data sources are also referred to as appropriate. Chapter 5 provides a summary of the principal findings of the research drawn from the interview data. The nature of the documentary and observational data is also summarised, and an overview of interviewees' responses to the governance theory matrix is presented. The data are analysed and discussed in more detail in chapters 6 to 8.

The overall conclusions drawn from the study are set out in chapter 9. These conclusions provide new empirically-based insights into the perceptions of governing bodies roles held by their members, the apparent contradictions inherent in some of those roles, and the capacity of governing body members and attendees to accept and successfully negotiate the complexity involved. In addition, the relationship between governing body members' perceptions of governing bodies' roles and the normative roles prescribed by the higher education sector's governance code of practice (CUC, 2009) are explored. The wide variety of views held about governing bodies' effectiveness will also be demonstrated, as will the importance attached to issues around governance processes and interpersonal interactions. The extent to which governance theory is relevant to the understanding of higher education governance will be illustrated. Finally, the significance of the research will be critically evaluated.

## **Chapter 2: The context for the study**

### **2.1 Introduction**

#### **2.1.1 *A period of change***

The study reported in this thesis was undertaken during a period – 2008-2012 - that most people concerned with higher education in the United Kingdom would regard as one of significant change, associated with the planned introduction in England from 2012 of markedly higher levels of fees for undergraduate students. However, a case can be made that for many years a series of changes has placed continually increasing pressure on all British higher education institutions and, therefore, inevitably, on their governance and management arrangements. These changes, together with aspects of the historical development of UK higher education, established contextual features of the higher education system that still influence it today. In this chapter, I shall therefore briefly review aspects of the development of higher education in the United Kingdom, before considering the ways in which the governance arrangements in the sector have developed. In doing so, I shall demonstrate that certain features of institutions, and the specific nature of their governance arrangements, have their roots in much earlier times, and that these long-standing features continue to have a significant impact. I shall also consider the relationship of governing bodies to other foci for power and authority in universities.



## **2.2 Higher education in England to the mid twentieth century**

### **2.2.1 *From medieval origins to a national system***

The first universities were established in the medieval period as teaching institutions and rapidly developed a number of features still seen in higher education institutions today. These included some form of overarching governing body, and the grouping together of scholars teaching cognate subjects into faculties. Also established was the idea of universities as autonomous institutions, subject in principle to limited outside influence and direction, with their senior scholars free to follow their own intellectual pursuits (see Barnett, 1990, Rothblatt, 1997). However, autonomy was never in practice unchallenged or untrammelled, and the struggle in higher education apparent today between institutional autonomy and external influence has been a feature of universities since their creation (Perkins, 1973).

Given the essential limiting of generic higher education in England for over six hundred years to Cambridge and Oxford, their collegiate structure and arrangements for self-government established distinctive ideas about the nature of higher education that still influence many higher education institutions today. However, when the first additional universities were finally founded in England in the nineteenth century, new approaches to higher education began to develop that provided access for new kinds of students, drawn from a broader spectrum of society. Subsequent new foundations in the major English provincial cities were marked by their strong focus on serving local needs, as perceived by the prominent local citizens, primarily

industrialists and other businessmen, who were instrumental in their creation, and they concentrated on practical subjects – technical, professional and vocational. These differences were the basis of a tension between liberal and vocational visions of higher education which is still a prominent issue today (Tight, 2009, 11).

Another issue in British higher education today whose roots can also be traced to the later nineteenth century is that of the relationship between teaching and research. The medieval concept of the university as a teaching institution continued into the nineteenth century, as exemplified by the work of Newman (1852/1976), whose views on the primacy of teaching 'dominated thinking in England up until the 1970s' and continue to exert significant influence (Tight, 2009, 302). Despite this, the late nineteenth and early twentieth centuries saw a significant development of research activity. This sowed the seeds for a debate about the proper relationship between teaching and research that, like the liberal versus vocational education debate, has continued to the present day.

Facilitating the growth of research activity in the early twentieth century was the start of regular government funding (Tight, 2009, 26), and general government funding for universities also increased markedly during the first half of the twentieth century, so that 'by the Second World War, the state would become the dominant funder of universities and colleges' (Tight, 2009, 24). Other developments during this period included the creation of the University Grants Committee (UGC) and the establishment of the Committee

of Vice-Chancellors and Principals (CVCP), the forerunner of the present Universities UK (UUK) (Berdahl, 1959; Salter and Tapper, 1994; Shattock, 1994). These two bodies became progressively more important as, respectively, an intermediary body between government and the higher education sector, and the locus for a collective voice for universities, until the 1990s.

## **2.3 Higher education after the Second World War**

### **2.3.1 *Increasing government direction***

The idea of government intervention in higher education, as in other areas of public life, was firmly established by the end of the Second World War. After the war there was an increase in demand for higher education, and a new government focus on scientific and technical higher education. More university colleges became universities and distinctive colleges of advanced technology, with a strong vocational and technological focus, were created. From this time there was 'a new style of relationship' between the state and the higher education sector, 'with government' supplying 'a large share of the money for a huge expansion in higher education' (Stewart, 1989, 46-48). The post-war period also saw significant increases in research activity and in the provision of postgraduate teaching in universities, again largely government funded.

### 2.3.2 *The Robbins Committee – higher education for all*

By the start of the 1960s there had been some growth in the numbers of students in higher education (see Tight, 2009, 54-56, particularly Table 3.4a) and further growth was already in the pipeline. Accepting this growth, the Anderson Committee of 1960 recommended that all full-time UK undergraduates should receive public funding to support their studies. This proposal led to the establishment of the means-tested maintenance grants that became regarded as the norm, and that set the context in which the eventual introduction of student loans (from 1990) and the requirement to pay tuition fees (from 1999) caused such controversy.

The Anderson report was followed by the better known Robbins Report (more formally the Report of the Committee on Higher Education), issued by the committee under the chairmanship of Lord Robbins, appointed in 1961:

To review the pattern of full-time higher education in Great Britain and in the light of national needs and resources to advise Her Majesty's Government on what principles its long-term development should be based. (Committee on Higher Education, 1963, 1)

The Robbins Report 'wholeheartedly accepted the need for the new universities' that had already been approved, but also 'argued for the need to create many more if the expected future demand for university places was to be met' (Walford, 1987, 5). The report forecast a significant increase in demand for higher education, without 'allowance for any relaxation in the standards required' and on the assumption of the

basic principle that all who are qualified to pursue higher education should have the opportunity of doing so. (Committee on Higher Education, 1963, 65, 70)

Together, the Anderson and Robbins reports set the seal on an approach to higher education which provided a model of notionally free access to an undergraduate university education for all people qualified to receive it. This became deeply embedded in the national consciousness, and created the standard against which all later changes to the arrangements for student support have been judged.

Despite its primary focus being on the education of undergraduate students, the Robbins report also acknowledged the established place of research in universities, and dismissed the idea that 'teaching and research' were 'antithetical' and in 'opposition' to one another (Committee on Higher Education, 1963, 88). Subsequently, research has come to appear to be the primary concern of many universities, and the debate about the relationship between teaching and research, and the primary roles of academic staff in this regard continues to the present day.

### 2.3.3 *The Polytechnics*

Although the Robbins report was intended to settle the nature of the higher education sector for the foreseeable future, within only a couple years the decision was taken to create the polytechnics (DES, 1966). These in most cases were created from existing colleges, controlled and funded by local government, and these arrangements continued. The polytechnics did not award their own degrees, but had their programmes accredited by the CNAA (the Council for National Academic Awards). It was expected that 'the two halves of the binary system', as it became known, would be 'different, but of

equal status', but that the polytechnics would be cheaper, more easily controlled and 'more responsive to the needs of industry and commerce' (Walford, 1987, 15). Despite tensions around the idea that polytechnics and universities were different but equal, which was probably never truly accepted (Regan, 1979, 182-185), the establishment of the polytechnics also helped address, at least for a time, some of the tensions between the liberal and vocational conceptions of higher education that had first become apparent a century earlier.

#### 2.3.4 *The high-water mark?*

In the 1960s and 1970s the number of students in UK universities continued to increase (see, for example, Tight, 2009, 55, Table 3.4a). Shattock and Rigby, discussing resource allocation in universities, labelled the years 1967-72 as 'the high-water mark of university funding' and suggested that 'by 1972 the scaling down exercise had begun' (Shattock and Rigby, 1983, 10). Subsequently, although the Robbins principle was reaffirmed (Wagner, 1982, 8-9), demographic changes, growing economic difficulties and changing political attitudes towards higher education all combined to alter the funding and attitudinal situation, particularly for universities.

## **2.4 The shock of the 1980s**

### **2.4.1 *The end of an era***

Change came rapidly in 1979 with the election of a new Conservative government which promptly 'announced a policy of level funding' (Pratt and Lockwood, 1985, 7). This was accompanied by the raising of overseas students' fees and a matching withdrawal of UGC funding (Shattock and Rigby, 1983). Very quickly, the financial position for higher education worsened even further, with cuts of around 15% from 1979-80 to 1983-84 according to Shattock (1994, 20). The approach of the UGC to managing the policy changes and reduced funding of the early 1980s has been much debated (see, for example, Kogan and Kogan, 1983; Shattock, 1994; Tight, 2009), but it clearly became more proactive in its oversight of the university system, as illustrated from the mid 1980s by the move towards increasing selectivity in the allocation of research funding via new research assessment exercises (RAEs) in 1985 and 1989.

For the polytechnics, the picture was mixed, and arguably less difficult than for the universities, but there were nonetheless significant challenges for some institutions (see Pratt, 1997, 243-249).

A further strand of outside pressure related to new government concern with efficiency, effectiveness and economy in the public sector generally. In higher education, the UGC was asked to consider 'radical changes to maintain quality and efficiency' (Stewart, 1989, 231). However, in their

subsequent report, the UGC had little to say about individual universities and their responses in relation to more general issues of governance and management were also brief. They nonetheless provide an interesting insight into the assumptions about the role of university governing bodies (councils) then obtaining, as it was noted that:

When universities were expanding, the major decisions were where growth should take place: that was *clearly a matter for the Senate* within the financial guidelines laid down by the Council. ... For the rest of this century at least, financial limitations will be a severe constraint on universities and they will have to make hard choices. ... *It is not usually for the Council to make the choices*, but part of its responsibility is to ensure that hard decisions are faced and choices are made. (UGC, 1984, 40; my emphases)

At the time the report was written, most decision-making was therefore seen as broadly the preserve of the universities' senior academic committees (the senates), and not their governing bodies (the councils). As will be discussed below (section 2.10.1), this attitude, and the norms with which it was associated, had in reality only developed in the 1960s. The idea of there being limits to what are regarded as appropriate subjects for direct intervention and decision-making by governing bodies can still be seen reflected in the attitudes towards educational character and academic activities displayed by governing body members interviewed in this study, as will be seen below, particularly in chapter 6.

#### 2.4.2 *The Jarratt report*

The CVCP established its own review process through a committee chaired by Sir Alex Jarratt (Chancellor of the University of Birmingham). The Jarratt committee's remit was to 'promote and co-ordinate ... a series of efficiency studies of the management of the universities' (CVCP, 1985, 6). In



its report the Jarratt Committee recommended, *inter alia*, that councils should assert their responsibilities, and that Vice-Chancellors should be recognised as chief executives, and not just academic leaders. The report has been characterised both as endorsing a 'line management' model and as asserting that 'universities ... should conduct their affairs without a centralised organisation' (Stewart, 1989, 234-235). It also stressed the 'need for change throughout the university system', and 'the search for value for money', whilst arguing that 'improved management ... must be the servant, not the master' (CVCP, 1985, 34). At the same time, it continued to endorse the Robbins' principle that higher education should be available to all who were able to benefit from it. Overall, the report was perhaps trying to promote a range of outcomes that were to some extent mutually contradictory, in recognising a need for change, but assuming that existing attitudes towards the nature of higher education and access to it would remain largely unaltered.

## **2.5 New public management**

### *2.5.1 The development of new public management*

Many of the concerns about efficiency, effectiveness and relevance to national needs that were raised about the higher education sector were also raised in relation to other parts of the public sector in the UK. This led to the development of what became known as 'new public management' as a reaction to the widely held perception in the 1970s and 1980s that the public sector was inefficient and ineffective. It was part of the distinctive policy

portfolio of the Conservative government that came to power in 1979 and was intended across the public sector as a whole to 'promote the efficient and effective provision of public services'. Associated with these moves was an assumption of 'the superiority of the private sector and private sector management techniques' (Osborne and McLoughlin, 2002, 9).

### 2.5.2 *New public management and higher education*

The growth and development of new public management has been discussed by a wide range of authors such as Barzelay (2001), Clarke and Newman (1994, 1997) and Ferlie *et al* (1996). In relation to the higher education sector in the UK, in a previous study I identified a significant increase in what I called 'managerialism' (Buck, 1991), associated with changes in university management practices in the 1980s. A more wide ranging, and more recent, study by Deem *et al* (2007) also demonstrated considerable evidence of the effects of new public management on the sector. Deem and her colleagues found that the tenets of new public management were widely adopted by senior managers in higher education and, therefore, approved by governing bodies (if often implicitly rather than explicitly). However, they reported in addition that many academics found the resulting changes of approach unwelcome, and no longer 'consistent with a notion of higher education as a public service or public good' (Deem *et al*, 2007, 182). Emphasising just as strongly the existence of negative attitudes towards new public management, McNay (2007) found that a wide range of academics believed that one effect of the adoption of new public management was that

[academic] provision [has become] less innovative and creative, and possibly of lower quality ... [and] the creative contribution of individuals

... has been suppressed in the interests of administrative efficiency. (McNay, 2007, 53)

Given these findings, it is not perhaps surprising that there has also been a polemical strand of research into the subject. This uses rhetoric around terms such as commodification, industrialisation and 'McDonaldization' (see, for example, Hayes and Wynyard, 2002; Parker and Jary, 1995; Prichard and Willmott, 1997; Willmott, 1995; and Winter, 1995). A theme common to these studies was the growth in power of senior managers, and the organs of central management, particularly in the older, chartered universities, associated with a weakening of the roles of senates, and the undermining of traditional concepts such as collegiality.

### 2.5.3 *New public management and governance*

The specific impact of new public management on governance has often been associated straightforwardly with the adoption of approaches to governance drawn from the private sector. Ferlie *et al* (1996, 117-164) provide an overview, addressing topics such as board composition, and changes in board roles. They note that in the case of NHS boards, for example, one of the most significant changes in the early 1990s was the inclusion on boards for the first time of senior managers; this was coupled with an increase in the 'homogeneity of non-executives' and a consequent 'loss of a broader base of experience'. Nonetheless, they concluded that boards 'were progressing towards being more strategically oriented', with 'non-executives ... successfully negotiating a more active role in the strategy process' (Ferlie *et al*, 1996, 128, 137).

Deem *et al* (1995) studied the influence of new public management on school governance. They suggested that by the mid-1990s school governing bodies had become 'a hybrid of notions of political participation and the new managerialism', and were 'powerful sites for the monitoring and regulation of professional educators'. This had, they felt, changed the culture in schools and led to a move from a public sector ethos to an atmosphere more akin to private business (Deem *et al*, 1995, 33).

Turning to the higher education sector, Bennett (2001) highlighted the fact that institutions were increasingly expected or obliged (in the case of the post-1992 universities) to adopt governance structures and processes drawn from exemplars in the private sector, on the grounds that doing so would necessarily improve their performance. This last point, and the extent of the influence of new public management on higher education, is reinforced by Shattock (2008). He argues, *inter alia*, that 'although the structures of a former self-governed, self-managed, sector remain largely in place ... they no longer have substance but rather serve to conceal the state's control of policy' (Shattock, 2008, 182). Shattock also illustrates ways in which the specification by government of policy parameters to the intermediary funding bodies (the funding councils) has become increasingly detailed and directive (Shattock, 2008, 196-197). Shattock's work therefore highlights how the adoption by successive governments of new public management approaches to UK higher education institutions has had implications for the power and authority of governing bodies, both directly and indirectly.

## 2.6 The late 1980s and 1990s

### 2.6.1 *The purpose of higher education revisited*

The government focus on the funding of higher education shifted in the later 1980s to renewed concern about the purpose of the higher education sector and its failure to produce enough science, technology and engineering graduates and 'to develop closer links with industry, commerce and their local communities' (Tight, 2009, 78). From this time it became, as it still is, a given of government higher education policy that institutions must strive to serve national needs more directly and more effectively, and that they can best do so by concentrating on teaching and research in science, technology and engineering, and in vocational and professional education.

During the same period, a policy of encouraging a higher proportion of the population to enter higher education was adopted. This saw the first steps of the widening participation agenda. Expansion was predicated on further reductions in unit costs and was associated with the introduction of 'top-up' loans (DES, 1988b), to replace part of the existing means-tested student grant. This provoked much controversy – see, for example, Barr (1989), Christie *et al* (2001) and Pilkington (1994) – but the reliance of students on loans to cover both their living costs and subsequently from 1998 their tuition fees has, of course, now become an established feature of British, and particularly English, higher education.

### 2.6.2 *From polytechnics to universities, and the Dearing review*

The late 1980s and early 1990s also saw polytechnics and many large colleges taken out of the control of local authorities and converted into independent higher education corporations. This process placed them in a position where they could be more directly subject to government policy, implemented through the new Polytechnics and Colleges Funding Council (PCFC). However, almost as soon as these changes had been implemented, the polytechnics and a number of colleges of higher education were accorded in 1992 the university status many of them had long sought (Pratt, 1997, 300-302; DES, 1992).

These changes came at a point when the proportion of young people entering higher education was close to having doubled in a period of just over five years, to almost 30% from around 15% in the second half of the 1980s (Tight, 2009, 81). At the same time, the resources made available to universities per student continued to decline, and the PCFC and the Universities Funding Council (which briefly replaced the UGC), were superseded by nationally-based funding councils for England, Scotland and Wales (the Higher Education Funding Council for England (HEFCE), the Scottish Higher Education Funding Council and the Higher Education Funding Council for Wales).

The latter part of the period culminated in a new review of the higher education sector in the form of the National Committee of Inquiry into Higher Education (NCIHE; NCIHE, 1997), chaired by the then Sir Ron Dearing. The

Dearing committee's remit concerned 'the purposes, shape, structure, size and funding of higher education ... over the next 20 years' (NCIHE, 1997, 3) and the recommendations in its report were wide-ranging (see NCIHE, 1997, 370-382). They included a number of proposals relating specifically to governance which will be returned to below (see sub-section 2.9.7). In the case of student funding, the committee endorsed the principle that tuition fees should be introduced.

Finally, the 1990s saw an even stronger emphasis on research, and its funding. The financial and reputational rewards from achieving a good performance in successive RAEs ensured that all universities devoted significant amounts of time to preparing for each exercise. For the so-called research intensive universities, success in the RAE meant getting a bigger share of the total HEFCE funding available for research; for former polytechnics, despite undertaking very little research by comparison to the pre-1992 universities, the RAE provided an opportunity to gain small, but potentially significant amounts of new funding with which to support and develop activities seen as appropriate to their new university status.

## **2.7 The new millennium**

### **2.7.1 *Further growth, but more government direction and regulation***

In the years after the Dearing committee reported, there was further significant growth in student numbers, accompanied, for the first time in

almost two decades, by some growth in real terms in the income received by higher education institutions (HEPI, 2006, Annex A). Nonetheless, how to fund higher education was a continuing issue. With another round of controversy, variable tuition fees (albeit capped initially at £3000) were introduced (DfES, 2004). At the same time, the Office for Fair Access and the Office of the Independent Adjudicator were both created, each in effect decreasing institutional autonomy.

Research funding was further concentrated and, because of the perception that universities were still doing too little to support business and industry, yet another review was established. The resulting Lambert report failed to demonstrate that universities were ignoring business needs (Lambert, 2003, 3), but amongst its outcomes was the creation of a new funding stream to support research with business and industry in a limited number of institutions. The review also led to number of recommendations directly concerned with the 'management, governance and leadership' of higher education institutions (Lambert, 2003, 6).

### *2.7.2 The Browne review and beyond*

The government had stated in 2004 that there would be a review of the variable fee arrangements, and it took place under the chairmanship of Lord Browne in 2009. The Browne report's main recommendation on funding was that the cap on tuition fees should be lifted (Browne, 2010, 25). Although the idea of uncapped fees was not adopted, the government subsequently agreed a new maximum tuition fee of £9000, albeit apparently hoping that relatively



few institutions would set their fees at that level, although this has not happened in practice (for thoughts as to the reasons see Brink, 2012). A corollary of the introduction of higher tuition fees was a marked reduction in direct funding from HEFCE for teaching.

Subsequently, and by then of course in the context of a serious economic downturn, the government published in June 2011 a White Paper, *Students at the Heart of the System* (BIS, 2011). At the time of writing it is not clear how much of the White Paper will be implemented, but yet another review 'to look again' at how universities 'work with business' is promised, and the HEFCE is to take 'on a new role as consumer champion for students' so the state of flux in the higher education sector continues.

### *2.7.3 New challenges but deeply-rooted norms*

As of 2012, therefore, English higher education institutions are facing a future with major changes to the basis for their funding, with much HEFCE funding for undergraduate teaching due to cease. In relation to research, there is no sign that the policy of concentrating funding in a small number of institutions is likely to change, and there is uncertainty about the potential impact of changes to the process for assessing research excellence and allocating funding (under the new research excellence framework). At the same time, funding from the research councils is decreasing. Although less regulation is promised, new requirements to provide information (notionally to assist students) are due to be imposed on institutions, and another review of the perennial issue of university-business interaction is proposed.

This is the current challenging scenario for institutional governing bodies. They face it in a context in which they and their institutions have inherited and continue to wrestle with a series of long-standing issues and cultural assumptions. These include:

- conceptions of the university as a teaching institution based ultimately on the very particular ideas enshrined in Oxford and Cambridge, two atypical and privileged universities;
- a continuing tension between liberal and utilitarian views of the curriculum, notwithstanding the moves in many universities in recent times to give increased emphasis to vocational and professional higher education, and to extend their provision in these areas;
- the rise to prominence of research, as opposed to teaching, and its consequent prestige within the higher education profession;
- the constant government refrain, echoed in every decade since the 1950s, to the effect that universities are insufficiently connected to, or aligned with, business and industry, and thereby contribute too little to the national economy.

It is in this wider, external higher education landscape that the views expressed by those involved in the governance of higher education in England, that are explored in the latter parts of this study, need to be considered. Those views also need to be set in the context of the current governance arrangements in English (and British) higher education institutions, and it is therefore both appropriate and necessary to turn next to a discussion of those arrangements and how they have come about.

## **2.8 The development of the governance arrangements of UK higher education institutions**

### **2.8.1 *The three main models***

A helpful starting point to a review of higher education governance is provided by Shattock (2006, 5-16). He identifies three primary models of higher education governance in England, which he calls the Oxbridge model, the civic university model and the post-1992 Higher Education Corporation model (Shattock, 2006, 5). Shattock's three models are helpful and appropriate. However, since his civic universities are governed by charters and statutes, and the fact of being chartered is their main distinguishing feature *vis-à-vis* the higher education corporations, which can alternatively be referred to as incorporated institutions, I shall henceforth use the terms chartered and incorporated institutions.

### **2.8.2 *The Oxbridge model***

Oxford and Cambridge were founded in the European tradition as self-governing communities of scholars, and by the sixteenth century had become corporations with legal powers analogous to those of individuals. They could transact business, hold property, employ staff and sue and be sued. These powers, and the fact that they were held by the institution itself, have been carried forward to the present day (Shattock, 2006, 6), and remain central to the governance of both Oxford and Cambridge, notwithstanding the relatively recent introduction at each institution of a small number of external, lay

members onto their governing bodies (four out of 25 at Oxford, and two out of 23 at Cambridge).

### 2.8.3 *The chartered model*

The Oxbridge governance model formed the basis for the chartered model of university governance, and therefore for the current governance arrangements of most pre-1992 universities. Describing the arrangements set out when Owens College was created in Manchester in the latter part of the nineteenth century, Shattock notes that there was:

A court as the overall governing body, a council as the executive governing body ... and an academic senate ... with lay majorities on the court and council but a senate made up solely of academic members. (Shattock, 2006, 8-9)

A similar court, council and senate model was adopted for the University of Birmingham when it was awarded its charter in 1900. Amongst the parameters established at Birmingham was the inclusion on the council of a significant proportion of academics (around a quarter). Arrangements similar to those at Birmingham became the norm as further universities received their charters through the twentieth century, down to the 1960s.

In the nineteenth century chartered governance model, 'the powers of court and council were virtually unqualified' (Moodie and Eustace, 1974, 34). Bargh *et al* (1996, 4-5) suggest this was due largely to the role played by 'local political, professional, commercial and industrial elites' in the establishment of the first civic universities, and that consequently 'lay councils were the dominant organizations in the early universities'. However, during the first half of the twentieth century 'the academic profession' began to

'assert its claim to co-rule with lay-led councils' (Bargh *et al*, 1996, 5). This led to a gradual reduction of councils' powers in relation to the academic aspects of universities, and the development of a narrower focus on issues associated with finance and administration (Archer, 1979, 520). The culmination of this lengthy process came in the 1960s, when a 'Model Charter' was produced by the Privy Council in the context of the creation of what were then known as the new universities (including, for example, Essex, Warwick and York). This maintained the standard powers of the governing body, but gave senates 'extensive rights' to initiate action and to be consulted (Moodie and Eustace, 1974, 35). The typical bicameral arrangements of most English chartered universities had therefore developed by the 1970s, with power and influence effectively shared between councils and senates, with the former having very little role to play in relation to academic issues, even at a strategic level.

#### 2.8.4 *The incorporated model*

The incorporated governance model was created when the polytechnics and some large colleges were removed from local education authority control in the late 1980s and converted into free-standing higher education corporations. The origins of the predecessors of most polytechnics and colleges, like those of the chartered universities, lay in local activism, albeit this time with a local government emphasis. This meant that their governing bodies tended to include a large number of local councillors (Bargh *et al*, 1996, 4-5), and this was still broadly the situation when the polytechnics were first established in the late 1960s. New 'instruments and articles of

government', which 'determined the composition of the governing body', were drawn up at that time (Pratt, 1997, 277). The detailed arrangements for each polytechnic varied (Locke, 1974), but their governing body membership included local councillors (about one-third of the total), people with business or industrial and commercial backgrounds, and staff and students (Pratt, 1997, 279).

When in due course the new higher education corporations were created, their governance arrangements were not, in their fundamentals, markedly different from those of their predecessors. Those arrangements were, however, more uniform and included parameters specifying the permitted size of the governing body (12-24), and details of powers that had to be exercised by the governing body and could not be delegated. Amongst those powers, the governors had an explicit responsibility 'to determine the educational character of the institution' (Pratt, 1997, 292), which was not matched in the chartered institutions. As the newly incorporated polytechnics and colleges rapidly became universities, their governance arrangements remained essentially the same. The marked contrast between the governance arrangements of the chartered and the incorporated institutions extended to the fact that in the latter:

the corporate body was no longer co-terminus with the institution itself but was vested in the governing body alone. (Shattock, 2006, 15)

Alongside the governing bodies of the new higher education corporations, there were bodies analogous to the senates of chartered universities. However, the powers of these bodies were limited (Shattock, 2006, 15). There were also very few members of staff on incorporated

institutions' governing bodies in comparison to the number on the governing bodies of chartered institutions (Pratt, 1997, 94). Overall, the governance and management structures of the higher education corporations, both as polytechnics, and then as universities from 1992, were perceived as promoting and serving a new, more managerialist, culture (see, for example, Deem, 1998; Deem and Brehony, 2005; Deem *et al*, 2007; Kogan, 1989).

## **2.9 Current governance arrangements in practice**

### **2.9.1 *Councils and boards of governors***

The governance arrangements at Oxford and Cambridge are so distinctive as to not provide a model for the rest of the sector and I will therefore focus here on those institutions conforming to the chartered or incorporated models of governance. In each case, their current governance arrangements still conform in their essentials to those described above in section 2.8. They are all therefore still ultimately governed by an over-arching board, still known as a council in the chartered universities, or most often just as the board of governors in of the incorporated institutions. In both cases these boards (generically from now onwards the governing bodies) continue to comprise both internal and external members, with the external, or lay, members forming the majority. By the 1970s, governing bodies in chartered universities tended to be relatively large, having between 30 and 50 members (Halsey and Trow, 1971, 107). Recent changes mean that most chartered universities' governing bodies now have between 20 and 30 members, with

fewer internal members than used to be the case. In the incorporated governance model, governing bodies are usually smaller than in their chartered university counterparts, not least because of the upper bound of 24 members set by the 1988 Education Reform Act (DES, 1988a), with fewer internal members.

### 2.9.2 *Senates and academic boards*

Alongside their governing bodies, separate committees with responsibility for academic affairs continue to exist, in the form of senates and academic boards, albeit with diminished power and influence than in the past, particularly in the case of the senates of chartered universities. Such committees are chaired by the Vice-Chancellor and are comprised largely of academics, together with a number of student representatives and sometimes a small number of non-academic staff. Senates and academic boards almost always have more members than councils, and although the number of members has tended to decrease over time, there are still some senates in chartered universities that have over a hundred members. In the incorporated institutions their senates or academic boards tend to have 30 to 40 members, with there usually being a requirement that at least 50% hold senior management positions (CUC, 2009, 46).

### 2.9.3 *Courts*

In addition to the council and the senate, the chartered university governance model also still features a court. These have large memberships, with well over a hundred members being common. Usually, the majority of



court members are external to the institution. Members were, historically, and in many cases still are, selected by a wide variety of methods (see, for example, Halsey and Trow, 1971, 106). Although courts were originally in theory the supreme constitutional bodies in chartered universities, so that a council could be seen as 'the executive committee of the court' (Moodie and Eustace, 1974, 97), courts' powers were rarely if ever exercised even in the early to mid twentieth century. By the 1960s and 1970s, it was possible to write that courts were 'far too unwieldy to transact any detailed business', but that they helped inform 'public opinion to which the university is in the long run accountable' (Mountford, 1966, 130). Shattock highlighted the role of the model charter issued by the Privy Council in 1963 in removing from courts their 'overall governing powers' (Shattock, 2006, 10). In the 1990s and 2000s, many chartered universities made changes to their charters and statutes to remove from their courts any remaining vestiges of the 'supreme' authority they once notionally held.

Although they are not required to have them, a small number of incorporated institutions have chosen to establish courts, albeit without any of the formal powers of their antecedents in chartered institutions.

## 2.10 The locus of power and authority in universities

### 2.10.1 *The changing relationship between councils and senates in chartered institutions*

In considering the development of the UK higher education sector and its governance (see sub-sections 2.4.1, 2.8.3), it has been noted that by the 1960s and 1970s the primacy of governing bodies in the direction and control of universities had ended, and that it was widely accepted that power and authority properly resided with academics, and primarily therefore, in terms of governance arrangements, with senates. This was notwithstanding the fact that in chartered universities, there remained, as there always had been, 'in legal terms, an element of subordination in senate's relations to council' (Moodie and Eustace, 1974, 97). Indeed, a number of authors writing about the relationship between councils and senates in the post-Robbins period, such as Aitken (1966), Mountford (1966) and Halsey and Trow (1971), all for example stressed that with regard to the notional overall authority of councils, their powers over the senate were rarely exercised, and their rights in academic matters were limited. Halsey and Trow were able to go so far as to suggest that the

Senate is the chief academic body and *in practice the centre of university power*. (Halsey and Trow, 1971, 107; my emphasis)

In the 1960s and 1970s, therefore, the senate was seen as the '*supreme* governing and executive body of the University in all academic affairs' (description of the senate at the University of Newcastle, cited by Moodie and Eustace, 1974, 75; used here to show their emphasis on the word '*supreme*'), and it was 'indisputable' that there had been 'a substantial move towards

internal academic self-government in all major areas of decision-making' (Moodie and Eustace, 1974, 36-37). There were clear perceptions that the power of university governing bodies was limited and hardly ever exercised in relation to matters deemed to fall within the purview of the senate.

Given the recognised power and authority of governing bodies in the nineteenth and early twentieth centuries already noted (see sub-section 2.8.3), this raises the question as to how this change in the balance of power in universities came about. Bargh *et al* (1996) suggest that:

Not until after the First World War did the academic profession in the 'old' university sector, through senates, assert its claim to co-rule with lay led councils.

and that:

Only gradually did councils cede their powers over ... academic staff and ... academic matters, and concentrate instead on financial and other administrative questions. (Bargh *et al*, 1996, 5)

Bargh *et al* saw this as of a piece with the overall development of the 'process of government and the nature of governance' in Britain as a whole, which was such that during the late nineteenth and earlier twentieth century certain assumptions were so widely held as to be generally accepted and unchallenged. In this context, while governance was a matter of significant interest in newly-established institutions in the nineteenth century, the make up of their governing bodies (drawn from local elites), and their power and authority, were not challenged, or regarded as anything other than appropriate (Bargh *et al*, 1996, 2). Later, in the first part of the twentieth century, 'issues of governance subsided' and 'the legal, and conventional, framework within

which universities operated appeared to have been settled' (Bargh *et al*, 1996, 2).

Subsequently, in association with the professionalisation of academic staff, and their assertion of their own authority, 'the management initiative' redounded to the senior staff within universities, while the 'policy initiative' increasingly became the responsibility of the state, so that there developed a 'new university order, in which councils and governing bodies played a subordinate role' (Bargh *et al*, 1996, 2-3). By the 1960s, therefore, as noted above (sub-section 2.8.3), the idea that the leading role in universities was appropriately played by academics was firmly established. Indeed, it was so prominent that representations were even made to the Robbins Committee that external members of council were

not only unnecessary but ... an imposition on the teaching body, indeed, that nothing but complete autonomy for the teachers is appropriate to an academic corporation. (Committee on Higher Education, 1963, 217)

While the committee's report accepted that councils should not 'interfere' internally in their universities, particularly in academic matters, it ruled out the possibility that new arrangements might be adopted that radically reduced the external membership of governing bodies.

The emphasis on the leading role of academics in governance began to change in response to the external pressures in the 1980s referred to above (section 2.4), following recommendations from the UGC and the CVCP's Jarratt committee. The proposals made by both the UGC and Jarratt about governance were, however, in practice limited. In the latter case they

included a proposal that all universities should establish joint council and senate planning and resources committees, demonstrating a continuing concern with the importance of maintaining harmony between councils and senates. Shattock (2006, 13) suggests that this proposal 'to some extent ameliorated' the 'practical force, and the sentiments, lying behind' the suggestion that councils needed to assert themselves. He felt that more important was a statement of principle in the Jarratt report that

senates' essential role should be to coordinate and endorse detailed academic work ... and be merely 'the main forum for generating an academic view and giving advice on broad issues to council'. (Shattock, 2006, 13, quoting CVCP, 1985, 24)

It can be argued that this description of the role of senates is essentially that which applies in many universities today.

Nonetheless, the concern in the 1980s about the purpose and utility of higher education and about efficiency, economy and effectiveness, and the changes to university administration and management that resulted, meant that the trend which had led power and authority to migrate over time from councils to senates in chartered institutions was reversed. This applied even to a certain extent in polytechnics, where there had been some growth in the influence of academic boards during the 1960s and 1970s. Overall, therefore, as Lockwood put it, by the 1980s the 'internal characteristics of universities' had led to a situation in which the relationship between councils and senates was ambiguous and effective power was divided (Lockwood, 1987, 93).

### 2.10.2 *Overviews of power, authority and decision-making in universities*

In addition to the discussion by some authors, partly illustrated above, of detailed aspects of the nature of, and the basis for, power and authority in universities, the issue has also been considered in broader terms. Moodie and Eustace, for example, saw strands of what they called democratic, oligarchic and republican government in British universities, while expressing a firm preference (in line with the spirit of their times) for the republican model, which privileged the authority of academics (Moodie and Eustace, 1974, 232-233). For Baldrige (1975), albeit writing about a US university, the basis for understanding academic governance, and the sources of power and authority in higher education, was the recognition of the appropriateness of a political model of governance, as opposed to more traditional bureaucratic and collegial models. This approach led to what he called 'cabinet administration', where 'the hero is replaced by the prime minister; the giant is replaced by the manager of an expert staff' (Baldrige, 1975, 205). Not featuring prominently as a source of power and authority in either Moodie and Eustace's or Baldrige's accounts are, however, institutional governing bodies.

Clark (1983) offers another discussion of the bases for authority in academic institutions, and for 'legitimate rule' at differing levels. These included 'discipline-rooted authority' (such as personal and collegial rulership, and guild and professional authority), 'enterprise-based authority' at institutional level (including trustee authority and bureaucratic authority) and 'system-based' authority (involving governmental bureaucratic authority, political authority and 'systemwide academic oligarchy'); to these he added

what he referred to as the 'wild card of authority: charisma' (Clark, 1983, 108-125). Clark also identified different national modes of authority (e.g. American, British, Japanese) and the ways in which different sources or types of authority help determine 'who can act' and how decision making takes place. Ultimately, Clark saw 'the value of perceiving higher education as a power struggle', with 'undivided power ... the greatest single danger in the operation of a system of higher education' (Clark, 1983, 264-265). He was thus a firm proponent of the merits of the (primarily US concept) of shared governance and antagonistic towards what he saw as the inappropriate trend towards evaluating universities like businesses. In later research Clark retained his commitment to shared governance as likely to promote sustainable success in higher education institutions, in association with the idea of a strengthened steering core (Clark, 2004).

Another model for higher education of interest for its over-arching approach was that put forward by Becher and Kogan (1980; 1992). Their model was based on normative and operational modes, on the one hand, and levels of organisation, from the individual unit to overarching central authority (such as government), on the other hand. They noted that other authors, including Moodie and Eustace (1974) and Clark (1983), had traditionally seen the norms associated with authority in universities as being determined by academics, either individually, or collectively within their institutional units, or by central authorities, rather than at institutional level. However, following the changes in the UK in the 1980s, which involved increased

demands for academic accountability from a growingly powerful national system, and the need for decisions to be made about the implementation of cuts and reorientations of effort,

they noted that

for the most part, ... institutions with strong leadership seemed best able to survive. (Becher and Kogan, 1992, 67)

For Becher and Kogan, leadership resided primarily with Vice-Chancellors. However, despite the post-Jarratt emphasis on executive authority, Becher and Kogan still saw the Vice-Chancellor as having a 'Janus-like role', involving both managerial and mediating aspects, so that they needed to be both a leader and 'first among equals' (Becher and Kogan, 1992, 69); although considerable, Vice-Chancellors' powers were therefore qualified and rarely unlimited.

With regard to institutional governing bodies, Becher and Kogan felt that their powers remained limited in practice, and 'over academic substance ... minimal', with 'little evidence that the lay members have been able, or have wished to exercise any such power'. In addition, while Becher and Kogan recognised governing bodies' authority in relation to the use of resources, they saw them acting 'normally ... on the advice of the head of the institution' (Becher and Kogan, 1992, 73).

Further comment on the role of the Vice-Chancellor, and his or her power and authority, is offered by Lockwood. He noted that senior officers in universities operated generally in a context of 'diffusion and ambiguity', where there was 'fragmentation of authority and ... reliance upon consensus' (Lockwood, 1987, 94). However, while he forecast that the role of 'lay



leaders', particularly the chairs of governing bodies, was likely to become more prominent, the 'dominant leadership role' should be 'that of the Vice-Chancellor'. Indeed, for Lockwood a Vice-Chancellor's leadership ideally required 'a deep, and manipulative, involvement in the internal politics of the institution', 'a clear belief in a strategy for the future', and a capacity for 'consensus-building' (as distinct from 'consensus-seeking') (Lockwood, 1987, 103-104). The importance of the Vice-Chancellor, as chief executive, and of senior management teams, and their relationship to the chair and a small number of members of the governing body, was also stressed by Bargh *et al* (1996). They noted the 'complementary nature' of the relationships between governing body chairs and Vice-Chancellors, and the challenges this can pose (Bargh *et al*, 2000, 98). In another variation on the theme, work by Kogan and Hannay supported the contention that 'the balance of power' had 'shifted at the top level of institutions', with 'the executive working with the governing body, as a collective' (Kogan and Hannay, 2000, 190).

A helpful summary of the nature of the power and influence of university governing bodies is provided by Shattock (2003). He notes that 'governing bodies have become more important as a control mechanism' but also identifies a number of ways in which, if their strengths are properly used by universities, they can continue to be 'an extremely important component in the management of the university' (Shattock, 2003, 103). In this regard he lists a variety of areas where he thinks governing bodies can make particularly important contributions, such as 'providing technical and professional advice', 'taking the long view' and 'acting as a referee for internal arguments'

(Shattock, 2003,103-106). Shattock accepts that there has been a 'downgrading of the respect for the academic contribution to effective governance', but points out that this is

in spite of the evidence provided by institutional performance which strongly suggests that those universities that encourage a considerable academic participation in governance are the most successful in the league tables, and that those that discourage it are amongst the least successful. (Shattock, 2003, 107)

Shattock may be overestimating the link between the role of academics in governance and institutional success, given that it could be argued that the greater overall success of chartered institutions, when compared to incorporated institutions, probably relates more to differences in funding and historic missions, and that the greater role of academics in governance in the former than the latter has been an incidental feature of their structures and histories, rather than a major causal factor in their greater success. Nonetheless, Shattock is able to point to other evidence of the potential importance of a continuing role for academics in governance, on the grounds that

in all the major incidents of misgovernance in the UK since the 1980s ... it has been the academic community which has blown the whistle. (Shattock, 2003, 107)

Ultimately, Shattock takes the view that, on the whole, university governing bodies have not become the sole focus of power and authority in universities, although their role in this regard has increased markedly in recent years. Instead, the roles of Vice-Chancellors and executives remain the most prominent, to the extent that where good governance has been threatened, this has been due to

over dominant or occasionally ineffective executive teams, rather than from over ambitious governing bodies themselves or from dissident academics. (Shattock, 2003, 107-108)

Shattock concludes that the 'powers of governance' should be kept 'in balance' and that 'successful universities' will

appoint able and forthright laymen, because they value the contribution they can bring, ... develop strong corporate leadership ... with an effective central steering core which is accountable to but retains a close dialogue with a senate or academic board which reflects the views of a vibrant academic community'. (Shattock, 2003, 108)

As will be noted below (sub-sections 2.11.2 and 2.11.3), these views need to be considered alongside increasing specification of formal governing body roles by the higher education funding councils and the CUC, which imply that more power should reside with governing bodies in practice than Shattock suggests is, or should be, the case.

## **2.11 More recent pressure for changes in governance arrangements**

### **2.11.1 *External pressures and the influence of governance failures***

In line with the recommendations of the Jarratt report, many institutions did indeed establish joint council and senate committees, and some universities made arrangements to adjust the size of their governing bodies. However, most chartered universities' governing bodies continued to include amongst their members a significant number of academic staff who were not members of the institution's senior management, and the parameters under which universities' governing bodies continued to operate were simply those set out in their existing charters and statutes.

A separate governance-related development in the second half of the 1980s was the establishment in 1986, initially on a somewhat informal basis, of what became in 1996 the Committee of University Chairmen, and more recently the Committee of University Chairs (CUC). Although the CUC did not in its early years adopt a very public posture, it gradually became more prominent in relation to governance issues. In 1995 it published its first guide on governance (CUC, 1995), prompted, Shattock suggests, by governance problems at Huddersfield and Portsmouth universities (Shattock, 2006, 51 and 99-105). Revised editions of the guide have been issued every few years since then (CUC, 1998, 2000a, 2004b, 2009). The widespread acceptance of the CUC guide was demonstrated from the start by its endorsement by the CVCP (now UUK) and the Association of Heads of University Administration (the representative group for university secretaries, registrars and equivalent post-holders); latterly its status has been made official by its approval and use as a template against which to judge institutions' governance arrangements by all the UK funding councils.

Before the problems in the early 1990s at Huddersfield and Portsmouth just referred to, there had also been a prominent governance failure at what was then University College, Cardiff. It related to failure to control institutional spending in the context of the funding cuts of the early 1980s. Eventually, the principal was removed from office and a rescue plan which led to the University College merging with the University of Wales Institute of Science and Technology (also located in Cardiff) was implemented (see Shattock, 1988). The governance failures at University College, Cardiff fed directly into

a review of the UGC chaired by Lord Croham, which highlighted concerns about the accountability of the UGC and universities for the expenditure of their government grants. Changes to institutions' formal financial responsibilities followed, set out in a new 'financial memorandum'

a contract between a Funding Council and an [institution] for the education of set numbers of students against a financial allocation, [which] made the governing body, not the institution, accountable for delivery. (Shattock, 2006, 14)

Later changes arising in similar vein further emphasised the responsibilities of the governing body, and of the Vice-Chancellor, and saw the eventual introduction of audit committees in all institutions.

#### *2.11.2 The Dearing review and its aftermath*

The problems that had arisen at Huddersfield and Portsmouth, and, also at the Southampton Institute, led to further scrutiny of university governance by the Nolan Committee on Standards in Public Life (Nolan, 1995). Around the same time, developments in the private sector led to the publication of the Cadbury Report and its code of best practice (Cadbury, 1992). When, therefore, the Dearing Committee was set up in 1996, in addition to addressing the problematic issue of student funding (see sub-section 2.6.2 above), it was also tasked with considering 'value for money and cost-effectiveness' (NCIHE, 1997, 3). The committee chose to interpret this statement rather broadly and devoted a chapter in its final report to issues associated with management and governance (NCIHE, 1997, 228-247).

Amongst the committee's subsequent recommendations was the suggestion that a more formal 'code of practice' should be drawn up and that

institutions should be required to report annually 'on their compliance with the code' (NCIHE, 1997, 237; also 377, recommendation 59). There were also proposals, *inter alia*, about ensuring that governing bodies had primacy (there was concern about the remaining powers of some chartered universities' courts), aspects of governing body membership, and the undertaking by governing bodies of periodic effectiveness reviews. These recommendations were endorsed by the government in a general sense (DfEE, 1998a, 61), but it was left to the higher education sector to take a number of issues forward, including a specific proposal that the governing bodies of chartered universities should be reduced in size to no more than 25 members (NCIHE, 1997, 240-241). Shattock has plausibly argued that this was meant

to set up processes which would over time force the pre-1992 universities to adopt a post-1992 size of governing body and implicitly endow those governing bodies with the same kind of unicameral powers of direction that obtained in the post-1992 universities. (Shattock, 2006, 52)

Although a CUC-led review of the size of governing bodies in chartered universities took place, and there were reductions in the size of many of them, the average size remained around 33 (CUC, 2000, 5). The CUC's resistance to the Dearing committee's recommendations also extended to not wishing to see their governance guidance transformed into a formal code of practice. Nonetheless, in the audit processes of the funding councils, particularly HEFCE, the CUC's guide came to be used more and more explicitly as though it were a code. Taken as a whole, the recommendations of the Dearing committee have played a central role in the approach to governance since the late 1990s by the higher education funding councils.

### 2.11.3 *Developments after Dearing*

Following the publication of the Cadbury Report and consequent developments in the private sector, increased attention began to be paid also to the effectiveness of higher education governing bodies. Work was undertaken by the CUC on effectiveness (CUC, 1999), and in relation to reviewing institutional performance (CUC, 2002, 2006a) and to reviewing governance arrangements more generally (CUC, 2000a, 2004a, 2006b). The CUC also undertook related work on the development of 'key performance indicators' with the aim of enabling governing bodies to better monitor institutional performance (CUC, 2006a, 2008).

As noted above (sub-section 2.7.1), external interest in university governance and management continued in the Lambert review (Lambert, 2003, Chapter 7, 93-106). Its recommendations finally led to the CUC governance guide being accepted as the basis for a more formal code of practice.

Apart from supporting the work of the CUC, the HEFCE and the other funding councils also took a direct role in promoting changes to governance arrangements. Some of these changes were prompted by further developments in the private sector, including guidance issued in relation to audit committees and aspects of risk management and internal control (FRC, 2003, 2005). This led to the imposition on higher education institutions of new requirements in relation to corporate/financial reporting and in their approaches to risk management (HEFCE, 2004, 2005).

Another relevant development was the creation of the Leadership Foundation for Higher Education (LFHE) early in 2004 (LFHE, 2011a). A significant strand in the LFHE's activities relates to governance, including the commissioning of research, and the running of a Governor Development Programme (LFHE, 2011b), in association with the CUC, from whose earlier work it developed. Recently, the LFHE has taken the lead in collaboration with the CUC on research projects to explore what constitutes an 'effective and high-performing governing body' (Schofield, 2009) and to develop a 'framework for identifying governing body effectiveness in higher education' (LFHE, 2011c).

#### *2.11.4 Further crises and more reviews*

Notwithstanding all the changes to governance arrangements just discussed, the sector has not proved immune from further governance crises. The most prominent of these was at London Metropolitan University in 2008-2009. It was associated with the university's failure over several years to use the correct definition for determining when students had completed their courses. This affected the amount of HEFCE funding the university was entitled to receive. Eventually the university faced 'clawback' of some '£36.5 million ... in respect of over-claimed funding for 2005/6-2007/8' and 'a reduction in funding for 2008/09 capped at £15 million' (Melville, 2009, 2). Much of the blame attached to the then Vice-Chancellor - 'he must take the major responsibility and culpability for the outcome' (Melville, 2009, 10) – but the ultimate responsibility, and failure, of the governing body was recognised, so that they were invited 'in due course ... to consider the benefits of new



leadership and refreshed membership of the board and its committees' (Melville, 2009, 11).

The problems at London Metropolitan University were associated by some commentators with HEFCE's subsequent inclusion in proposed changes to its financial memorandum of the power to '*require* the governing body to take steps to rectify the position' if HEFCE were to decide that 'the accountable officer cannot be relied upon' (HEFCE, 2009, 9, para 21; my emphasis). In the event, following opposition from the sector (as illustrated by some respondents in this study – see chapter 6), the initial proposals were amended, although HEFCE retains the right, '*in extremis*', to 'ask the governing body to appoint someone else to report to HEFCE' (HEFCE, 2010, 8, para 26).

In addition to the difficulties at London Metropolitan University, a number of alleged problems involving governance issues were reported to have occurred elsewhere. An article in *The Independent* suggested, for example, that the 'sudden "resignation"' of the Vice-Chancellor at City University was related to 'a long-standing disagreement with the governing body' (Hodges, 2009). The same article also indicated that problems between Vice-Chancellors and their governing bodies might be at the root of the departures of the Vice-Chancellors of the University of East London, the University of East Anglia and Leeds Metropolitan University, and the Principal of Royal Holloway. The *THE* highlighted further issues, such as allegations by a council member at Brunel University that the Vice-Chancellor 'holds council

and its membership in contempt' and that the council is 'about as effective as a bunch of stuffed donkeys' (Newman, 2009). In the cases referred to just above (i.e. not including the London Metropolitan case), governing bodies may well have been behaving entirely appropriately, and simply exercising their ultimate responsibility for the oversight of their institutions. However, the undoubted governance and management failures at London Metropolitan and the level of concern about the governance implications of changes elsewhere, illustrate the continuing interest in, and importance of, higher education governance.

In a further sign of that interest, albeit relating to other parts of the UK, two recent studies of governance in higher education have been undertaken in 2010-2011 in Wales (McCormick, 2011) and Scotland (von Prondzynski, 2012). The reports in question are relevant partly because they demonstrate the continuing scrutiny of higher education governance on a UK-wide basis, but also because of the detailed and particular nature of some of their recommendations, and the differences between them. In the case of the Welsh report, for instance, it recommends, *inter alia*, that:

- R7 ... the national funding and regulatory agency ... should evaluate the engagement of governing bodies in the strategic planning process and the rigour of governor scrutiny of institutional performance.
- R8 ... a common set of KPIs ... at national, UK and international level should be applied in the evaluation of institutional performance by all governing bodies.
- R10 Governing bodies should consist of between 12 and 18 members as the norm, inclusive of staff and student members. (McCormick, 2011, 34)

The Scottish report recommends, *inter alia*, that:

- Remuneration committees should include staff and student members.
- Meetings of governing bodies should normally be held in public.
- Each governing body should be required to ensure ... that at least 40 per cent of the membership is female.
- Senior managers other than the Principal should not be governing body members and should not be in attendance at governing body meetings, except for specific agenda items. (von Prondzynski, 2012)

Each of the two reports includes significantly more recommendations than those highlighted above, but it is striking that in both cases very specific detail is gone into. In addition, the reports suggest that there are likely to be growing differences in the approach to higher education governance in each country, with both also moving away from the model applicable in England. It remains to be seen how far such recommendations will be implemented, and what influence, if any, they may subsequently have on governance in England.

## **2.12 Conclusions**

### **2.12.1 Governance as both constant and changing**

There has been considerable change over time in the external policy environment of the higher education sector. This has significantly affected institutional approaches to research, teaching and other activities, and the funding streams available to support them. At the same time, a number of deeply-rooted traits of the higher education system as a whole, derived from shared cultural and organisational values, continue to influence the ways in

which institutions respond to the changing higher education landscape. Some features of higher education governance are related just as strongly to long-standing norms. This is particularly so in the case of the chartered universities, where the underlying arrangements continue to be recognisably related to those derived in the nineteenth and early twentieth centuries from medieval origins. Despite the notional *de novo* creation of the incorporated institutions' governance arrangement in the 1990s, they have their own links to previous approaches to governance running back to the nineteenth century. These involve in many instances a particularly strong commitment to vocational education, and a practice of engagement with their localities, that continue to inform the attitudes of their governing bodies.

The relative power and authority of governing bodies, and their role in the decision-making processes of higher education institutions has also varied over time. Initially, in the nineteenth and early twentieth centuries, governing bodies were recognised as having the ultimate authority over all aspects of universities. However, once the initial parameters for the governance of institutions appeared to have been settled, academics gradually but increasingly asserted their role in the management and control of universities. This trend was coupled with increased government influence and direction of the higher education sector as a whole, so that by the 1960s the authority of governing bodies generally, particularly in the university as opposed to what was then about to become the polytechnic part of the sector, had diminished to the extent that it was widely accepted that primacy in university governance lay, appropriately, with academics. Subsequently, external pressures

associated with funding cuts and increasing prescription in higher education policy, together with expectations derived from new public management and the development of governance arrangements in the private sector, led to the migration of some power and authority back to governing bodies, alongside a marked increase in the executive and managerial power of Vice-Chancellors and other senior managers in higher education institutions.

At the same time governing bodies were also encouraged, and in due course became expected, to adopt new, and more uniform, governance practices, whether directly decreed by government, or developed more organically as a sector response to indirect pressures, such as those associated with governance developments in the private sector. The approach required of governing bodies has become steadily more prescriptive, with an increasing burden of regulation and the development of something very close to a mandatory code of practice. Governing bodies have also arguably become more professionalised, adopting common practices specified in the governance code, and under the influence of the training programmes of the LFHE. Despite this, problems in governance involving disputes between governing bodies and their Vice-Chancellors or Principals have been reported more frequently. Certain features of both the higher education landscape generally, and higher education governance, can therefore be seen as constant and deep-rooted, but many details of the general and governance landscapes have changed, and are continuing to change. This is the context in which the perceptions of higher education governing body members and attendees are explored in this study.

## **Chapter 3: The study of governance**

### **3.1 Introduction**

#### **3.1.1 *The scope of the chapter***

The previous chapter reviewed the development of the higher education sector in the United Kingdom, and England in particular, and of the nature of the governance arrangements in the sector. It is now appropriate to set the governance arrangements within British and specifically English higher education in the context of a broader discussion of governance. In doing so, I shall start by briefly considering definitions of governance, before turning to some of the literature setting out theoretical approaches to governance. I shall then discuss the potential relevance of institutional theory and role theory, before reviewing aspects of literature concerning effectiveness in governance. Finally, there is a variety of literature directly related to how the members of both private sector boards and public sector governing bodies have previously been found or perceived to perform their roles, and appropriate parts of this literature will be discussed.

## **3.2 Definitions of governance and the specification of board roles**

### **3.2.1 *The variety of definitions***

An extended general discussion of the term governance, as used across the social sciences, is offered by Kooiman (1999). In introducing the subject he notes that 'governance as a concept has been a catchword in many corners of social science disciplines' and that different definitions and approaches to governance tend to be applied in differing circumstances and to different levels of society. Given the focus of this study, the definition of governance which is most pertinent concerns corporate governance, which Kooiman defines as 'the ways big organizations are directed and controlled'. Kooiman notes that a number of 'central concepts ... quite often surface' in discussions of governance, such as concern with the 'rules and qualities of systems', 'co-operation to enhance legitimacy and effectiveness' and 'processes, arrangements and methods' (Kooiman, 1999, 68-70). Aspects of these concepts will be seen to recur throughout this study.

### **3.2.2 *Definitions of corporate governance in the private sector***

Kooiman's definition of corporate governance aligns with that set out in the report of the Cadbury review of corporate governance in the UK in the early 1990s, the nub of which states that

corporate governance is the system by which companies are directed and controlled. (Cadbury, 1992, 15)

Charkham (1994, 2005), saw the 'appointment of the Cadbury committee' as the start of 'the modern governance movement' (Charkham, 2005, 5) and the Cadbury definition has been widely adopted; Clarke (2007, 2), for instance,

suggests that it is 'the most direct and useful' definition. The Cadbury report was the first of a series of reports on different aspects of corporate governance, such as the Turnbull Report on managing risk, the Smith Report on audit and the Higgs Report on non-executive directors (see, for example, Keasey *et al*, 2005a, 23-40). The definition of corporate governance devised by Cadbury is still that used in the current version of the UK Corporate Governance Code promulgated by the Financial Reporting Council (FRC; FRC, 2010, 1).

It is, however, possible to define corporate governance in the private sector in a variety of ways, each with a different focus. This is illustrated by Huse (2007, 18-24), who recognises

- a 'managerial definition', where 'board members ... are seen simply as instruments for management';
- a 'shareholder supremacy definition', in which 'board members are ... instruments for the shareholders';
- a 'stakeholder definition', which involves 'the outcome of interactions between multiple stakeholders'; and,
- a 'firm definition', which focuses on 'what is best for the firm' and where governance facilitates cooperation. (Huse, 2007, 18-23)

Definitions of corporate governance can also be broader. The Organisation for Economic Co-operation and Development (OECD) suggests for example that:

Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. [It] ... provides the structure through which objectives ... are set, and the means of obtaining those objectives and monitoring performance are determined. (OECD, 2004, 11)



### 3.2.3 *Specification of board roles in the private sector*

Implicit in definitions of corporate governance are ideas about the roles board need to undertake to meet the requirements of the definition. Cadbury suggested that 'the responsibilities of the board' included:

- setting the company's strategic aims;
- providing leadership to put those aims into effect;
- supervising the management of the business; and'
- reporting on their stewardship (Cadbury, 1992, 15).

In addition, non-executive directors needed to:

- review the performance of the board and of the executive; and,
- take the lead where potential conflicts of interest arise (Cadbury 1992, 21-22).

Subsequent developments to the UK's corporate governance code added the ideas that boards are responsible for:

- ensuring the existence of a framework of controls which enables risk management;
- setting the company's values and standards; and,
- ensuring that obligations to shareholders and others are understood and met (Higgs, 2003, 21).

In the UK's business and commercial sector, then, the primary roles of the board are seen to relate to:

- providing leadership and ensuring the long-term success of the company;
- scrutinising the performance of the management and monitoring the reporting of performance;
- setting the strategic direction and constructively challenging and helping develop proposals on strategy;
- having the right balance of skills, experience, independence and knowledge to operate effectively;
- ensuring appropriate controls exist to assess and manage risk;
- setting values and standards; and,

- ensuring accountability to shareholders. (FRC, 2010).

### 3.2.4 *Definitions of corporate governance in the public sector*

Definitions of corporate governance in the UK public sector are similar to those used in the private sector. For the Independent Commission on Good Governance in Public Services, governance is simply 'the leadership, direction and control of ... organisations' (Independent Commission, 2004, v).

In the National Health Service (NHS), governance was defined in 2003 as:

The systems and processes by which health bodies lead, direct and control their functions in order to achieve organisational objectives and by which they relate to their partners and the wider community. (NHS, 2003, 7)

The latest official NHS publication on governance (NLC, 2010) refrains from offering a definition as such, but notes that:

The purpose of NHS boards is to govern effectively and in doing so to build public confidence that their health and healthcare is in safe hands. (NLC, 2010, 8)

In government, the Treasury defines corporate governance as 'the way in which organisations are directed, controlled and led' (HM Treasury, 2011, 9).

All these definitions amount to variations on Cadbury according to context.

In studies of governance in the public sector, as opposed to official guidance and codes of practice, simple definitions are also widely used. Cornforth, for example, defines governance as 'the systems by which organisations are directed, controlled and accountable' (Cornforth, 2003a, 17). In higher education, Shattock uses an equally pragmatic and descriptive definition of governance as, 'the constitutional forms and processes through which universities govern their affairs' (Shattock, 2006, 1). As a final example,

Fielden regards governance as 'all those structures, processes and activities that are involved in the planning and direction of the institutions and people working in tertiary education' (Fielden, 2008, 2).

### 3.2.5 *Specification of governing body roles in the public sector*

As in the private sector, a variety of expected and accepted governing body roles have been developed in association with definitions of governance in the public sector. In the NHS, for example, three over-arching roles for boards are recognised:

- formulating strategy;
- ensuring accountability for the delivery of strategy, and for the existence of robust and reliable systems of control; and
- shaping a positive culture for the board and the organisation, which involves promoting values and standards of conduct. (NLC, 2010, 8-15)

In the case of the higher education sector, some roles of governing bodies are specified directly by the funding councils. The Higher Education Funding Council for England (HEFCE), for example, through its financial memorandum, requires that higher education institutions' governing bodies 'ensure that the mandatory requirements of the financial memorandum are complied with', and that 'institutions ... meet the legislative requirements imposed upon them as corporate bodies' (HEFCE, 2010a, 43). More generally, HEFCE's financial memorandum specifies that

the governing body of an institution is collectively responsible and has ultimate non-delegable responsibility for overseeing the institution's activities, determining its future direction and fostering an environment in which its mission is achieved' (HEFCE, 2010a, 7).

In addition, HEFCE 'expects' governing bodies to act in accordance with the guidance issued by the Committee of University Chairs (CUC) and to adopt its Code of Practice (CUC, 2009).

The expectations placed on governing bodies in the CUC code start from the premise that:

Every higher education institution shall be headed by an effective governing body, which is unambiguously and collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of learners maximised. The governing body shall ensure compliance with statutes, ordinances and provisions regulating the institution and its framework of governance and, subject to these, shall take all final decisions on matters of fundamental concern to the institution (CUC, 2010, 13).

The CUC code also specifies, *inter alia*, that the primary responsibilities of the governing body shall include:

- approving the mission and strategic vision of the institution, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring that these meet the interests of stakeholders;
- appointing the head of the institution ... [and] monitoring his/her performance;
- ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment; and,
- monitoring institutional performance against plans and approved KPIs (CUC, 2009, 13-14).

The CUC code also makes reference to meeting legal requirements, and compliance with the Nolan principles of good conduct in public life (Nolan, 1995), and states that independent, external governors should

question intelligently, debate constructively, challenge rigorously and decide dispassionately, and ... should listen sensitively to the views of others, inside and outside meetings of the governing body (CUC, 2009, 17).

Taken as a whole, a list of governing body roles with similarities to that for the private sector can be set out for the higher education sector:

- meeting legal and regulatory requirements;
- overseeing the activities of the institution and monitoring institutional performance;
- determining the future direction, and approving the mission and strategic vision and long-term plans;
- ensuring appropriate controls exist to assess and manage risk; and,
- ensuring accountability to stakeholders.

Missing from this list when it is compared to that for the private sector is any explicit mention of a leadership role, and reference to the skills and experience of governing body members. The idea of a leadership role for governing bodies (rather than for chairs or Vice-Chancellors) appears only recently to be emerging explicitly in thinking about higher education governance (Schofield, 2009; see also sub-sections 3.5.3, 3.8.5)

### *3.2.6 The overall position*

With regard to defining corporate governance, there is a consensus around variants of the definition used in the Cadbury Report. It is this definition, in a generic form, and with the addition of references to leadership and accountability, which I shall adopt for this study, so that:

corporate governance is the system by which organisations are directed and controlled, and through which they are led and enabled to be accountable.

In relation to board and governing body responsibilities, the attributes set out in sub-sections 3.2.3 and 3.2.5 are representative both of expectations in general, and in the higher education sector. They provide normative

benchmarks against which the perceptions of the people interviewed in this study will in due course be set. It is now appropriate to turn to the question of governance theory, and its relevance to this research.

### **3.3 The development of corporate governance theory**

#### **3.3.1 *The origins of corporate governance theory***

Although some authors have suggested that corporate governance is 'a term that scarcely existed before the 1990s' (Keasey *et al*, 2005a, 1), for which the 'touchpaper was lit in the 1980s' takeover boom' (Stiles and Taylor, 2001, 3), there is an extensive body of previous work, going back to the first half of the twentieth century. At that time, economists began to take an interest in the governance of corporations because of the problem of 'the divorce of ownership from control' due to changes in the ownership pattern of companies 'from individual ownership, to ownership by large, publicly financed corporations' (Berle and Means, 1933, vii-viii). This led to the view that managers would become 'a self-perpetuating oligarchy, unaccountable to the owners whom they were expected to represent' (Mizruchi, 2004, 581). These perceived problems had, however, little immediate impact on future studies of governance and it was arguably not until the 1970s, when a number of factors, including the collapse of the US railway company Penn Central, together with changes in share ownership patterns (Cadbury, 2002, 10), finally provided a catalyst to further academic interest and led to the exposition of agency theory.

### 3.3.2 *Agency theory*

The seminal paper in the initial development of agency theory is generally accepted as being that published by economists Jensen and Meckling in 1976. They suggested, *inter alia*, that

managers, as the 'agents' engaged by shareholders and other owners (the 'principals'), tended to behave in ways that maximised their personal benefits, rather than acting in the best interests of the principal. (Jensen and Meckling, 1976, 59)

Since first coming to prominence, agency theory has established itself as the predominant theoretical approach to commercial corporate governance – 'the overwhelming dominant theoretical perspective applied in corporate governance is agency theory' (Daily *et al*, 2003, 371); 'agency theory is, in practice, regarded as the Bible of corporate governance' (Huse, 2007, 45).

Agency theory assumes that people are 'self-interested and generally unwilling to sacrifice personal interests for the interests of others' (Daily *et al*, 2003, 372), and that managers will therefore pursue their own self-interest and take decisions accordingly, rather than doing things that are in the interests of the shareholders. The implication in terms of corporate governance practice is that the role of the board must be to oversee the activities of management and to curtail managers' tendency to act only in their own interests, thereby reducing agency costs and protecting shareholders' interests.

### 3.3.3 *Is agency theory relevant to the public sector?*

Although agency theory has been extremely prominent since the 1970s, it is clear that it will not always be relevant to governance in the public

sector. In some cases this will be because public sector organisations do not often have a single readily identifiable principal or group of principals, analogous to the shareholders of a commercial company. In the UK higher education sector, for instance, there is a variety of groups, internal and external to institutions, who can be seen to have legitimate interests in their running, including, for example, students (and in some cases their parents), staff, the wider community and government. In addition, although the power of Vice-Chancellors has grown in the last two decades, it is still rarely untrammelled, and their capacity to serve their own ends is therefore likely to be more limited than that of their private sector counterparts.

Another significant factor is that higher education institutions, like many other public sector bodies, are subject to strong influence by the government, which is also their major funder. An alternative view could therefore see government as the sole ultimate principal. In this scenario, the power of the agents and, indeed, the governing body as the protector of the principal's interests, may be moot. However, almost all higher education institutions in the UK are legally independent and autonomous entities, so that the governing body might legitimately see its role in some circumstances as defending that autonomy against the government, which reinforces the idea that the precepts of agency theory are not straightforwardly applicable in the higher education context.

Some of these potential difficulties were illustrated in an article by Buckland (2004). Buckland saw some advantage in using agency theory,



because it enabled 'the fitness of the form of governance to the issues of organisational control ... [to] ... be directly addressed' (Buckland, 2004, 245). However, he accepted that there were problems in identifying the principals in universities, and that in consequence it was not clear who had the right to control universities. Nevertheless, even if agency theory cannot reasonably be seen as offering by itself a complete approach to governance in the public sector, there will undoubtedly still be occasions when individual senior managers seek to do things that benefit them, but not necessarily their institution and its principals (however defined), and to that extent any public sector boards, including university governing bodies, will need to guard against the problems predicted by agency theory.

#### 3.3.4 *Transaction cost economics*

Given the problems of relating agency theory to a public sector context, and criticisms that have been levelled at its applicability even in the private sector, it is appropriate to consider whether any of the other governance theories that have developed since agency theory came to prominence seem more likely to be applicable to the public sector and to higher education in particular. Related to agency theory, but usually seen as distinct from it, is transaction cost economics. Like agency theory, its origins lie in the 1930s, with the work of Coase (1937), although significant developments again did not occur until the 1970s and later (Williamson, 1979, 1996). Like agency theory, transaction cost economics assumes that individual managers will seek to serve their own interests, but where in the former the 'individual is the basic unit', in the latter 'the transaction is the unit of analysis' (Huse, 2007,

52). It is then argued that rather than expending effort to reduce costs for the organisation as whole, thereby ensuring that benefit accrues to the shareholders, managers will again pursue arrangements that benefit them individually.

As with agency theory, board activity is seen once more as needing to guard against irrational or self-serving behaviour by managers. Board members therefore need to undertake a monitoring and, if necessary, controlling role, in relation to the behaviour and actions of senior managers. They may also, through their knowledge and expertise, and/or their network of contacts, be able to facilitate opportunities for transaction costs to be reduced. As was the case for agency theory, it is unlikely that an approach to governance based solely on transaction cost economics will be appropriate in most public sector contexts. It is, however, possible to conceive of circumstances in which board members' expertise or their network of professional contacts might bring benefit to public sector institutions through reduced transaction costs, so that aspects of this approach to governance, like agency theory, cannot wholly be disregarded.

### 3.3.5 *Stakeholder theory*

The two economic approaches to governance just discussed can be contrasted with a number of alternatives, which Learmount (2002) calls organisational approaches. These include stakeholder theory, stewardship theory and trusteeship. The importance of stakeholder theory and stewardship theory are also stressed by Clarke (2004) and Huse (2007) and

both have been widely regarded as potentially applicable to public sector organisations.

Stakeholder theory stresses the need to take account in governance of multiple stakeholders. Stakeholders can be 'any individual or group who can affect or is affected by the organisation's objectives' (Freeman, 1984, 46). This clearly has an immediate resonance in a public sector context. A further potential aspect of stakeholder theory that may have relevance in the public sector is its common association with a moral perspective. Phillips, for example, argues that 'stakeholder theory is distinct because it addresses morals and values explicitly as a central feature of managing organisations' (Phillips, 2003, 16).

In any given organisational context, multiple stakeholders can usually be identified and they can be classified in various ways (Clarke, 1998). In private organisations, for example, in addition to shareholders, stakeholders might include groups such as staff, customers and suppliers, or even groups representative of wider social, political or environmental interests. In a public sector context, although there will usually be no direct analogue of shareholders, there will often be external agencies to whom institutions have some accountability (most commonly government agencies), in addition to stakeholder groups such as staff, customers or clients, and representative or political groups in the wider community. Public sector institutions may well also be more constrained by regulation, or social or political expectation, as to what constitutes appropriate organisational behaviour, than private sector

organisations. This in turn may make them subject to influence by a wider range of internal and external stakeholders, and more likely to recognise the existence of legitimate public interest in, and moral dimensions to, their activities.

A recognised difficulty in the application of stakeholder theory relates to the complexity of the inter-relationships that are presumed to exist. Learmount (2002, 9-11) highlights a number of issues that he suggests have inhibited the development of stakeholder theory, such as a tendency to focus on the justification of the use of the stakeholder approach. Nonetheless, stakeholder theory has clear relevance in the context of governance in public sector organisations, where there is normally an explicit recognition of the requirement to serve the needs of many different external and internal groups. This is undoubtedly the case for higher education institutions.

### 3.3.6 *Stewardship theory and trusteeship*

Turning to stewardship theory, this assumes, like stakeholder theory, that people are not solely motivated by self interest, and therefore rejects the premise of agency theory that managers will always act only in their own interest. Indeed, stewardship theory was developed in a deliberate challenge to agency theory by Donaldson and Davis (1991). They argue, *inter alia*, that 'rôle-holders' can be 'motivated by a need to achieve', and can 'gain intrinsic satisfaction through', activities such as performing inherently challenging work, and exercising responsibility and authority. Managers can also develop a sense of identification with their organisation, and choose to serve its needs

out of a sense of loyalty and/or duty, even where 'a course of action may be unrewarding personally' (Donaldson and Davis, 1991, 51).

In the private sector, stewardship theory assumes that returns to shareholders will be safeguarded if managers are granted autonomy, and if attention is paid to issues such as managerial motivation and managers' identification with their organisations (Donaldson and Davis, 1991; Davis *et al*, 1997). With regard to the relationship between stewardship theory and stakeholder theory, Karns (2011, 341) suggests that they 'share many core values', but that while stakeholder theory is concerned primarily with 'the larger purpose of business and its role in society', stewardship theory focuses 'on management practices'.

Associated with stewardship theory is the concept of trusteeship. The 'duty of the trustee' can be seen as being 'to preserve and enhance the value of the assets under his control, and to balance fairly the various claims to the returns which these assets generate' (Kay and Silberston, 1995, 92). The concept of trusteeship features strongly in higher education governance in the United States (see, for example, Chait *et al*, 1991; Kezar and Eckel, 2004), but it is potentially relevant also in the UK higher education sector, given that most UK higher education institutions are independent, self-governing entities with assets that are owned by the institutions themselves. On the whole, however, the idea of stewardship in governance provides a broader approach than that of pure trusteeship, and on those grounds it is arguably of greater importance as an explanatory model.

The ideas of both stewardship theory and stakeholder theory appear relevant to many public sector contexts, including the UK higher education sector. Conceptions of the role and purpose of higher education institutions can empower a variety of groups to regard themselves as legitimate stakeholders. Such groups may be variously specified, but their legitimacy will often be widely recognised and will need to be addressed through institutions' governance mechanisms. The idea of stewardship is also clearly valid in higher education, with institutions pursuing aims and outcomes that are not ultimately financial, and which relate to conceptions of public good.

### 3.3.7 *Other theoretical models*

A variety of other theoretical approaches to corporate governance have been developed. Summary accounts of some of these are offered by Clarke (2004, 4-26; 2007, 23-30), while Hung (1998) offers a helpful typology. Clarke's accounts add resource dependency, managerial hegemony and class hegemony to the range of theories discussed above.

Resource dependency theory presumes that boards and their members promote the development and success of organisations through the access they provide to external resources (see, for example, Pfeffer and Salancik, 1978; Hillman and Dalziel, 2003; Hillman *et al*, 2000, 2009). Hillman *et al* (2000), for instance, highlight a variety of ways in which board members act as 'environmental links'. These include 'business experts', 'support specialists' and 'community influentials' who provide, respectively, general high level expertise and links with other organisations, specialised expertise

plus links to 'suppliers or government agencies' and 'non-business perspectives' and links with 'powerful groups in the community' (Hillman *et al*, 2000, 239-242).

Managerial hegemony theory, in contrast to the other theories referred to so far, is predicated on the idea that board power is in practice very limited, and that chief executives have far more power and influence than boards, through their ability to influence the selection of board members, set board agendas and control information flows. These issues are discussed at more length by Mace (1971) and Lorsch and MacIver (1989) (see sub-section 3.6.2).

Finally, class hegemony theory sees 'corporations as exploitative vehicles for [the] accumulation of wealth and power (Clarke, 2007, 27) and board members as being drawn from self-perpetuating elites (see also, for example, Mills, 1971; Useem, 1984).

Hung's work divides theoretical approaches into those based on extrinsic and intrinsic influence factors, which are in turn shaped by external contingencies or internal institutional expectations. From these derive six roles – linking, coordinating, control, strategic, maintenance and support – each associated with a governance theory – respectively, resource dependency, stakeholder, agency, stewardship, institutional and managerial hegemony (Hung, 1998, 105). Hung therefore suggests that no single theory illuminates the whole picture of corporate governance. Instead, different

theories can help explain or predict different aspects of board roles. This supports a broader application of the points noted above about, for example, the fact that agency theory or transaction cost economics may not by themselves provide useful ways of modelling the behaviour of governing bodies in higher education.

### 3.3.8 *Implications of governance theory*

The governance theories considered above offer a wide variety of ways of suggesting or predicting how boards ought to behave to fulfil their corporate governance functions. These roles can be seen to include:

- controlling and monitoring (agency perspective);
- co-ordinating and reflecting diverse interests, and linking to resources (stakeholder and resource dependency perspectives);
- preserving and maintaining resources and overseeing strategy (stewardship and institutional perspectives); and,
- supporting management (managerial hegemony perspective)

However, no single theory by itself can be shown to provide a reliable model for board behaviour, even in the private sector. Nonetheless, there appears to be a way forward through the recognition that different theoretical positions may well be applicable, or may carry more or less explanatory weight, in different circumstances. It is with this approach in mind that the merits of governance theory in relation to higher education governance will be discussed in analysing the data collected in this study. I shall now consider another theoretical approach which may be of use in considering the findings of this study, institutional theory.



### 3.4 Institutional theory

#### 3.4.1 *The relevance of institutional theory*

It was suggested in chapter 2 that there are features of the present cultural and institutional context in which higher education institutions operate that have their origins at different points in the past. These include the tensions between liberal and utilitarian views of education, the competing conceptions of universities as teaching or research institutions, and the idea that universities are communities of scholars operating in egalitarian and collegial settings. The development and persistence of these facets of higher education systems can potentially be viewed through a lens based on the tenets of institutional theory.

#### 3.4.2 *The development and nature of institutional theory*

Institutional theory can be seen as a successor to traditional approaches to explaining organisational structures, such as those embodied in the works of Taylor (1911), Weber (1948) or Simon (1956), with their concern about issues such as the size and complexity of institutions. However, institutional theory focuses, instead, on the external environments of institutions and the ways in which those environments influence the structures and behaviour of organisations (see, for example, Freeman, 1973; Meyer and Brown, 1977).

Two main strands of institutional theory are usually identified, sometimes known as 'old' and 'new' institutional theory. However, despite

their differences, both forms of institutional theory identify constraints on organisations. So-called old institutionalism highlights how informal structures exist and work alongside, or against, formal structures, while new institutionalism sees irrationality in the formal structures themselves, with tendencies to conformity and the effects of shared culture influencing organisational behaviour. This in turn implies that 'the bases of institutionalized behavior ... for ... old institutionalists ... were values, norms and attitudes', that were absorbed and adhered to by the members of organisations, while for new institutionalists, 'taken-for-granted scripts, rules and classifications are the stuff of which institutions are made' (DiMaggio and Powell, 1991, 14-15). Examples of work in the realm of the so-called 'old institutional theory' includes that by authors such as Selznick (1949, 1957) and Pfeffer and Salancik (1978); work in relation to 'new institutional theory' includes, for example, that by Meyer and Rowan (1977) and DiMaggio and Powell (1983).

New institutional theory suggests that organisations, and their behaviour, will be influenced by the 'myths of their institutional environments', which lead to the creation of formal organisational structures which express 'social purposes as technical ones and specify in a rulelike way the appropriate means to pursue' them. The nature of appropriate functions within different types of organisations can then become pre-determined, with 'classifications of organizational functions, and the specifications for conducting each function' available as 'prefabricated formulas for use by any given organization' (Meyer and Rowan, 1977, 344).

### 3.4.3 *Isomorphism*

Given the idea that similar types or category of organisation tend to become more similar to one another over time, for reasons other than rationality or the pursuit of efficiency, DiMaggio and Powell refer to the concept of isomorphism, defined as 'a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions' (DiMaggio and Powell, 1983, 147-150). DiMaggio and Powell propose three 'mechanisms of institutional isomorphic change', by means of coercive, mimetic or normative isomorphism. Coercive isomorphism involves adopting structures and practices in response to pressures from other organisations or because of cultural expectations. In the case of mimetic isomorphism, structures and practices are adopted from other organisations that are perceived as successful and are taken as a model to follow. Finally, normative isomorphism arises out of concepts such as professionalisation, whereby the members of an occupation define the conditions and methods of their work and thereby establish a cognitive base and legitimation for their occupational autonomy (DiMaggio and Powell, 1983, 150-152).

Examples of each of these types of isomorphism can be conceived as occurring within the UK higher education sector. For instance, the imposition by HEFCE of certain types of reporting requirement on institutions, leading to the creation of similar structures and common approaches across the sector (for example, to risk assessment or audit activities), can be seen as an example of coercive isomorphism. Similarly, the long-standing tendency of

academic staff to see their identify as relating to their discipline, rather than to their association with a particular higher education institution (Becher and Trowler, 2001; Halsey, 1992; Halsey and Trow, 1971), can be conceived as an example of normative isomorphism.

#### 3.4.4 *Institutional theory and research into higher education*

Despite its potential explanatory value, formal studies of aspects of higher education that have drawn on institutional theory seem to be relatively infrequent and somewhat eclectic. Examples include studies of community colleges (Brint and Kabarel, 1991), tenure systems and the employment of academic staff in colleges and universities (Sine and Tolbert, 2008), and sources of administrative structure in higher education institutions (Tolbert, 1985). These studies all relate, however, entirely or primarily to US contexts.

In the UK context, institutional theory was used by Edwards and Cornforth (2003) in their study of the factors influencing the contributions of governing boards to strategy. They considered the boards of four public sector organisations, a school, a further education college, and two voluntary organisations (one local, one national) and concluded, *inter alia*, that 'institutional pressures' help determine 'current thinking and norms about boards', which board members then draw on in understanding their role and that of their board (Edwards and Cornforth, 2003, 81).

Despite the fact that there have been relatively few instances in which institutional theory has featured in studies of governance, its central concept -

that organisations are influenced and shaped by their national, sectoral and cultural environments – clearly has value as an explanatory mechanism in the case of the governance of UK higher education institutions, bearing in mind both the persistence of structural and cultural features of the higher education system in the UK over many years and, as illustrated in the previous chapter, what can be recognised as isomorphic pressures leading to changes over time to higher education institutions.

### **3.5 Role theory**

#### *3.5.1 The nature of role theory*

Another theoretical perspective of possible relevance to the study of higher education governing bodies, in the context of a focus on governing body members' perceptions of their roles, is role theory. According to Biddle, role theory, in the form of 'the role perspective', developed initially in the 1920s and 1930s in a number of disciplinary contexts. It focuses on 'patterns of human conduct', that is, roles, in association with

expectations, identities and social positions; and with context and social structure as well as with individual response (Biddle, 1979, ix).

Banton (1965) noted that role theory was primarily seen as being a facet of social psychology, although he suggested that a broader approach was called for, involving both a comparative and anthropological perspective. Biddle (1979, 1986) felt that role theory offered a perspective that bridged social psychology, sociology and anthropology.

Biddle defined role theory as

a science concerned with the study of behaviors that are characteristic of persons within contexts and with various processes that presumably produce, explain, or are affected by those behaviors. (Biddle, 1979, 4)

He also noted that a number of propositions were associated with role theory, albeit they were not all regarded as valid by 'the larger community of social scientists'. These included the identification of roles associated with shared identities (determined by social positions), or with expectations (awareness of roles leads to the adoption of behaviours then deemed appropriate), and the idea that roles are often learned (and are therefore socialised) (Biddle, 1979, 8). Biddle also discussed what he regarded as five important perspectives on role theory:

functional role theory – this focuses on the characteristic behaviour of people holding social positions within stable social systems. Roles here involve 'shared, normative expectations that prescribe and explain these behaviors';

symbolic interactionist role theory – an approach which 'stresses the roles of individual actors, the evolution of roles through social interaction, and ... cognitive concepts through which' peoples' conduct is understood and interpreted;

structural role theory – which concentrates on social structures, which consist of stable groups of people 'who share the same, patterned behaviors';

organizational role theory – which concentrates 'on social systems that are preplanned, task-oriented, and hierarchical'. Roles 'are assumed to be associated with identified social positions and to be generated by normative expectations'; and,

cognitive role theory – focussing on 'relationships between role expectations and behavior', and therefore on 'social conditions that give rise to expectations ... and to the impact of expectations on social conduct'. (Biddle, 1986, 70-76)

### 3.5.2 *The potential relevance of role theory*

Given the widespread association of governing bodies with the performance of particular roles, as illustrated in sub-sections 3.2.3 and 3.2.5, the idea that roles in a wide variety of settings may be associated with characteristic behaviours determined by social or organisational positions, and that they may also be influenced by formal and informal norms and expectations as to what behaviour is appropriate, role theory is clearly of potential relevance to the study of governing bodies and members' perceptions of their roles. An extensive range of potential uses of role theory is illustrated in Biddle and Thomas (1966), although only one of the studies they present – by Wahlke *et al*, concerning the roles of legislators in US state governments – has a governance context (and that somewhat tenuously). A recent general study of approaches to social psychology (DeLamater and Myers, 2011), presents a number of examples of the use of role theory, and of related concepts such as role identities and roles in groups, but again without any reference specifically to a governance context.

In literature concerned specifically with corporate and institutional governance, which will be discussed at some length below (see sections 3.7 to 3.9), there is essentially no discussion of role theory *per se*, despite considerable consideration of the roles of governing bodies and their members. Role theory may therefore have the potential in the future to provide a detailed framework for the exploration of governing body members' roles and behaviour from the perspective of social psychology and, to some extent, anthropology. However, given the focus in this study on governance

theory, as well as governing body members' perceptions of their roles in the context of the formal role expectations embodied in codes of practice, as discussed in sections 3.2 and 3.3, role theory is perhaps best regarded in the context of this study as a potential explanatory mechanism at an over-arching level, rather than as a specific analytical tool.

### **3.6 Effectiveness in governance**

#### **3.6.1 *The effectiveness of private sector boards***

Judging the effectiveness of boards and governing bodies has been a focus of a variety of research into private sector governance. In studying US private sector boards, Mace (1971), for example, found them to be primarily passive entities, subject to managerial hegemony, and therefore *prima facie* ineffective. Although Lorsch and MacIver (1989) saw more scope for board members to fulfil the roles usually assigned to them, they nonetheless concluded that there was still a need for 'further innovations ... if directors are to be effective governors' (Lorsch and MacIver, 1989, 6). Amongst the issues cited by Mace and Lorsch and MacIver as affecting the capacity of board members to be effective, were lack of knowledge about the organisations they were governing, control of information by management, and lack of time (see also sub-section 3.7.2).

An explicit concern with judging effectiveness is apparent in work by Forbes and Milliken, who developed a model that linked board effectiveness



to 'board task performance', and its 'cohesiveness' (Forbes and Milliken, 1999, 492-493). McNulty and Pettigrew (1999) studied board members' roles in strategy development (in their case in a UK context), but in doing so they highlighted various features of board process which enabled board members to be more involved in strategy development and thereby more effective. These features included the ways in which agendas were structured, allowing sufficient time for discussion of strategic issues, and the presentation of information to boards so that it can be debated and influence future decisions. The focus of these studies is therefore on board members carrying out their roles, and on processes that are seen as important in facilitating this.

Significant work on board effectiveness was undertaken in the UK in association with the Higgs Review of board effectiveness (Higgs, 2003; McNulty *et al*, 2003; Roberts *et al*, 2005; see also sub-section 3.7.4). McNulty *et al*'s/Roberts *et al*'s research involved gathering data through '40 interviews with chief executives, chairmen, executive and non-executive directors' of FTSE 350 companies. Their research led them to suggest that it is

the actual conduct of the non-executives vis-à-vis the executive that determines board effectiveness. Non-executives can both support the executives in their leadership of the business and monitor and control executive conduct ... [and] the key to board effectiveness lies in the degree to which non-executives ... are able to create accountability within the board in relation to *both* strategy *and* performance. (Roberts *et al*, 2005, S6; their emphasis).

Roberts *et al* also pointed to 'the pivotal role of the chairman in creating the conditions for non-executive effectiveness', and stressed, *inter alia*, the central role of non-executive board members in 'questioning and challenging the executive' and the importance of openness, trust and mutual respect (Roberts

*et al*, 2005, S21). They concluded that effective non-executive board members were characterised by 'three linked sets of behaviours', such that they were 'engaged but non-executive', 'challenging but supportive' and 'independent but involved'. Roberts *et al*'s finding provide an interesting conception of board roles that will be seen in due course to find echoes in the perceptions of their roles held by the members of higher education governing bodies whose views are reported in this study (see chapters 5 and 6).

Further work concerned with board effectiveness includes, for example, that by Leblanc (2004), who noted the importance to board effectiveness of the 'very specific competencies and behaviours of individual directors, the effectiveness of the chair ... and the ability of the board to work together as a group' (Leblanc, 2004, 440). Nicholson and Kiel (2004) devised 'a framework for diagnosing board effectiveness' in which they saw board effectiveness as deriving from board members' knowledge and experience, their networks and inter-relationships, explicit and implicit board policies, procedures and cultural traits, and board members' own cultural values, norms and motivations (Nicholson and Kiel, 2004, 444-452). Finally, an overview of board effectiveness is offered by Petrovic (2008) in a review article. She concluded that 'both board dynamics and structural/contextual elements' are important 'for board effectiveness' (Petrovic, 2008, 1387).

### 3.6.2 *The effectiveness of public sector boards*

Studies on board or governing body effectiveness in the UK public sector include work by Ashburner on the NHS, where she suggested that 'how boards interpret their roles and how they operate are key to their effectiveness' (Ashburner, 1997, 285). Ashburner concluded that most board members saw personal qualities as being more important attributes than specific skills. In addition, important features in promoting board effectiveness were the selection of appropriate items for board agendas, the provision of good quality information to non-executives and the extent to which non-executives were involved in strategy formulation (Ashburner, 1997, 289-293).

Other relevant work on the NHS includes that by Peck (1995), Harrison (1998) and Storey *et al* (2010). Peck highlighted problems with the effectiveness of an NHS board, concluding that the board had had a 'minimal impact ... on the governance of the organisation' (Peck, 1995, 154). Harrison noted, *inter alia*, concern that non-executive board members' roles were unclear, and the importance to the effective functioning of the board of the relationship between the chair and the chief executive. Finally, Storey *et al* (2010, 13-14) questioned boards' overall effectiveness (in relation to the ultimate extent of their influence), and noted issues around the information available to boards, and the negative impact on board effectiveness of over-assertive chief executives.

In work on other parts of the UK public and voluntary sector, a direct focus on board effectiveness is offered by Cornforth (2001). His study

associated board effectiveness with 'board inputs' (board members' skill and experience and the time they had available to act as board members), the specification of 'clear board roles and responsibilities', a shared 'vision of how to achieve their goals', and periodic reviews of how 'board and management ... work together' (Cornforth, 2001, 217). In another study, Cornforth and Edwards (1999) considered the factors influencing the effectiveness of boards' strategic contributions. Good meeting practice, the quality and quantity of information available to the board, and board members' lack of skills in governance processes were all identified as being important in determining whether board's were effective or not (Cornforth and Edwards, 1999, 361). The overall picture is one in which board practices and personal interactions are frequently identified as important contributors to effectiveness.

### 3.6.3 *Governance effectiveness in the higher education sector*

In relation to the higher education sector, considerable attention has been paid to performance measurement more generally (Broadbent, 2007), but there has been less direct consideration of effectiveness in governance. Bargh *et al* (1996) touched on a number of topics that can be related to effectiveness, although they paid little attention to it as a subject in its own right. They noted, for example, that there were 'limitations to governor influence over decision-making', and that this was partly associated with governing body members' dependence on the executive for information, and their perceptions that they lacked sufficient detailed knowledge of higher education and were therefore not always well placed to challenge the executive (Bargh *et al*, 1996, 135-136). Bargh *et al* also concluded that 'it is

inevitable that interpersonal processes will have a powerful influence on governance'. They found this to be associated with the creation of 'an informal core of governors, led by the chair, who could exert considerable influence over the remaining independent governors'. They commented further that 'the dependency of "effective" governance on interpersonal and informal arrangements ... contains the best and worst of the governance process' (Bargh *et al*, 1996, 151).

Effectiveness was a more explicit concern for Bennett (2001). He identified a set of 'effective governance factors'. These factors were derived from a variety of sources, and included having clear constitutional processes, clarity of purpose, capacity to think strategically, quality and timeliness of information received, and board members' skills (Bennett, 2001, 62-63; see also Bennett, 2002, 295-296). Using questionnaire data, Bennett highlighted issues such as the lack of time governing body members had to devote to their roles, and the importance to effectiveness of good personal relationships between board members.

Recent studies by Bott (2007), Llewellyn (2007) and Berezi (2008) have also touched on effectiveness to varying degrees (see also sub-section 3.9.5). In the case of Bott and Llewellyn, the focus of their studies was on the roles, respectively, of the chairs and secretaries of governing bodies. Their consideration of effectiveness therefore related primarily to what made those role-holders effective, and to their contribution to effectiveness more generally. In relation to the role of the chair, for example, Bott suggested that the chair's personal effectiveness was associated with their ability to ensure

effectiveness in relation to their major responsibilities. Thus, a chair would be ineffective if he or she was 'unable to secure effective financial accountability' (Bott, 2007, 113). Another factor highlighted by Bott was the chair's ability to work well with, and provide guidance to a core group of 'lay leadership figures', thereby ensuring 'that on all critical issues, they maintain the support of a majority on the governing body' (Bott, 2007, 209). Llewellyn found, *inter alia*, that the secretary had an important role in contributing to overall effectiveness, working in tandem with the chair and Vice-Chancellor, 'outside the formal setting of the governing body meeting', through 'relationship building, the exercise of power and influence, agenda setting and decision-making' (Llewellyn, 2007, 53).

Turning to Berezi (2008), his research concerned higher education governance more broadly, and he addressed effectiveness more generally. He identified a number of 'determinants of effectiveness', including:

- knowledge, skills and expertise;
- induction and development;
- compliance with governance codes and legal frameworks; and,
- achievement of the strategic objectives of the university. (Berezi, 2008, 252-261)

He also noted that of the elements identified as demonstrating effectiveness

achievement of [the] strategic objectives of the institution appears to be the only outcome issue ... that can be described as a measure of effectiveness. (Berezi, 2008, 287)

In addition, Berezi explored the reviews of their own effectiveness undertaken by governing bodies. He found them to be regarded positively, and suggested that the undertaking of such reviews showed that governing bodies

took 'performance issues ... seriously'. However, he also had reservations about the reviews, as he suggested that they could be improved by the use of 'independent external assessors', since this would both make them 'free from bias' and increase their rigour (Berezi, 2008, 267-268).

Finally, in this consideration of approaches to the effectiveness of governing bodies in higher education, one needs to turn to Schofield (2009), and his report for the CUC and LFHE on effectiveness in higher education governance. The primary outcome of his work was the development of sets of enablers and outcomes of effective governance. These covered a wide variety of factors, as illustrated by his six primary enablers, which were:

1. Effective leadership and governing body dynamics
2. Effective governance structures and processes
3. Effective governing body membership
4. Commitment to vision, organisational culture and values
5. Effective performance monitoring and measurement
6. Effective information and communication (Schofield, 2009, 28)

Given that each of these six enablers has five subsidiary elements, and that he specifies in addition nine potential outcomes of effective governance, Schofield's approach to judging the effectiveness of governance arrangements is complex. However, he provides a clear illustration of the fact that determining what constitutes effectiveness in governance is difficult and not easily susceptible to distillation. Schofield's approach, taken together with the data about other aspects of determining the effectiveness of boards and governing bodies explored in this section, provides an interesting context in which to consider the perceptions of governing body members in this study. It is now appropriate to turn to other strands of governance research.

### **3.7 Governance research in relation to the private sector**

#### **3.7.1 *The scope of governance research***

As illustrated above (section 3.3), a significant strand in corporate governance research in the past few decades has concerned corporate governance theory *per se*. The variety of other foci for research into corporate governance in the private sector can be illustrated by surveys such as those brought together by Keasey *et al* (2005b). This edited volume includes contributions relating to the study of topics such as 'governance codes, the role of ownership, institutional shareholders, boards of directors and executive remuneration', and 'alternative arrangements ...notably the role of the market' and 'the role of (entrepreneurial) leadership' (Keasey *et al*, 2005a, 8-9). Another line of research has considered corporate governance in different international contexts from a comparative perspective – for an overview see, for example, Charkham (2005). However, in the context of this thesis, the studies most likely to be germane are those relating to board roles and board effectiveness. The latter have already been considered above (see section 3.6), so I shall concentrate here on the question of board roles.

#### **3.7.2 *The reality of board roles – classic studies in the USA***

Amongst important studies of board roles that endeavour to focus directly on what boards and board members do, two wide-ranging pieces of research from the business sector in the United States provide a good starting point, despite having already been touched on briefly above (see sub-section 3.6.1), those by Mace (1971) and Lorsch and MacIver (1989). In each case these studies explored the perceptions held by board members of their roles,



with Mace 'interviewing literally hundreds of businessmen', while Lorsch and MacIver 'interviewed nearly 100 outside directors of corporation and received questionnaires from over 2,000'.

Mace concluded, *inter alia*, that most board members saw their role as largely being advice-giving, rather than decision-making. However, this advice could not be 'of the sort which requires lengthy and penetrating analysis' (Mace, 1971, 179), since most directors spent little time on their roles as board members. Amongst his other findings, Mace suggested that:

- most boards did not 'establish objectives, strategies, and policies', but that 'these roles are performed by company managements' and that 'Presidents and outside directors generally agreed that only management can and should have these responsibilities';
- in respect of 'asking discerning questions' board members did not, by and large, feel able to do this, due to 'their lack of understanding ... and [wanting] to avoid looking like idiots'; and,
- although boards were usually deemed responsible for selecting the company president, this process was controlled in practice by the out-going president (Mace, 1971, 185-196).

The overall flavour of Mace's findings can be illustrated by one of the quotes he includes in his book, to the effect that 'outside directors ... are, after all, nothing more or less than ornaments on the corporate Christmas tree' (Mace, 1971, 90).

In the case of Lorsch and MacIver's work, one of their premises was that there had been significant change in the landscape of corporate governance in US business in the two decades preceding their study (i.e. the

1970s and 1980s). Whereas boards had been 'elitist corps of overseers with limited responsibility' (Lorsch and MacIver, 1989, 4), by the time of the study, directors no longer saw 'themselves as pawns of management'. Nonetheless most directors still acknowledged 'a number of constraints on their ability to govern in a timely and effective manner', including

their own available time, a lack of consensus about their goals, and the superior power of management, particularly the CEO-chairman. (Lorsch and MacIver, 1989, 1-2)

Lorsch and MacIver identified a variety of 'impediments to directors' capacity to govern effectively' and a number of 'factors that enhance or constrain their real power', with the former including the board's legal authority and group solidarity, and the latter things such as limited time, knowledge and expertise, group norms about acceptable behaviour and the power of the chief executive officer (Lorsch and MacIver, 1989, 170, Table 8-1).

Lorsch and MacIver did not, though, suggest that boards could not influence or withstand their CEOs. Indeed, like Mace, they saw the provision of advice and guidance by the board as a routine part of the 'service' role of directors (see also Johnson *et al*, 1996), going so far as to say that directors felt this was 'their key normal duty' (Lorsch and MacIver, 1989, 64-65). However, their research suggested that boards, and particularly the external members, were not often united enough, or sufficiently cohesive, to deploy fully their potential to influence or capacity for restraint. This was due to the fact that they met 'infrequently and relatively briefly at tightly structured meetings with a full agenda', had little opportunity to communicate with one another outwith board meetings, and operated in the context of norms 'that

discourage open criticism' and the discussion 'of fundamental premises and purposes' Lorsch and MacIver, 1989, 170).

From the perspective of governance theory, Mace's study provided strong support for managerial hegemony theory. Although Lorsch and MacIver were, on the whole, rather more positive about the capacity of boards to carry out their intended roles, their work is also usually regarded as confirming the tendency of boards to operate in accordance with the premises of managerial hegemony.

Of course, Lorsch and MacIver, and Mace before them, were concerned with the corporate governance of commercial entities in the United States, where different legal and regulatory regimes obtain than in the United Kingdom. In addition, some critical details of boards' structural arrangements differ from those of the UK, most notably the fact that in the United States it was, and still is, the norm for the posts of board chair and chief executive to be combined, whereas this is uncommon in the UK (and does not occur at all in the UK higher education sector). It also needs to be borne in mind that both studies were conducted prior to the increase in regulatory activity in the 1990s and 2000s, which led to developments in the US such as the 2003 Sarbanes-Oxley Act. The board roles discussed by both Mace and Lorsch and MacIver are, nonetheless, similar in many respects to the roles expected today of the governing bodies of UK higher education institutions, and their findings are therefore still of relevance, despite the very different context in which they were developed.

### 3.7.3 Board roles in the UK

An example of a study somewhat similar to those of Mace and Lorsch and MacIver, but UK-based and rather more recent is that of Stiles and Taylor (2001). They interviewed 51 directors from a wide range of public companies in the UK drawn from the list of the 1,000 largest companies produced by the *Times*. They also undertook case studies of four major companies, where they considered a variety of written data sources, as well as interviewing at least five directors.

In introducing their study, Stiles and Taylor noted that both 'the media and corporate governance experts' had traditionally 'characterized boards largely as rubber stamps for management'. They also pointed out that there had been significant recent changes in corporate governance, and that these had 'increased the potential influence of the board', but had failed 'to allay the popular perception of boards as ineffectual', with non-executive directors labelled 'variously as poodles, pet rocks, or parsley on the fish' (Stiles and Taylor, 2001, 1). They set out to consider, *inter alia*, whether these perceptions were justified.

In relation to some of the commonly accepted, and by now familiar, specific roles of boards, they concluded that:

- board members did not see their role as devising strategy, but as setting its context and acting as 'gatekeepers' in relation to strategic proposals (Stiles and Taylor, 2001, 51);
- in relation to control, directors did not see their role as one of policing, but rather as using the firm's control systems to enable them 'to set new strategic directions' and to focus 'organizational attention by setting new strategic targets and performance goals' (Stiles and Taylor, 2001, 61);

- promoting and sustaining links with shareholders was of primary importance, although taking account of the interests of other stakeholders was recognised as usually being in companies' interests (Stiles and Taylor, 2001, 101); and,
- inter-relationships between board members were very important. The role of chair was key to building trust and good relationships, but issues such as the credibility and assertiveness of non-executives and board norms about subjects such as the acceptability of boardroom debate, were also significant factors (Stiles and Taylor, 2001, 116).

Stiles and Taylor characterised their work as reaching conclusions contrary to, and more positive than, research by authors such as Mace and Lorsch and MacIver. However, they also suggested that the strong thrust in the 1990s to increase boards' capacities to control companies was, in the light of their findings, 'warranted only in extreme conditions', because it was mainly 'the building of relationships within and around the board' that enhanced board effectiveness. Stiles and Taylor therefore went on to promote the idea that while boards should establish a 'threshold level of monitoring', once they had done so they could move on to enjoy 'a cooperative relational process enhanced by the development of trust-based relationships between board members'. In addition, boards did not need to be seen overturning management proposals, because they could 'set standards for the quality and nature of proposals ... [and] the boundaries of what is acceptable in a proposal and what is not', relying on the fact that the simple existence of the board and the requirement from time to time to present to it, 'acts as a strong incentive for managers to perform as well as they can ... and acts as a driver to efficiency' (Stiles and Taylor, 2001, 117-122).

So in the work of Stiles and Taylor one has board members presenting a more positive view of their world than their American counterparts in the work of Mace and Lorsch and MacIver. But if the views expressed by the respondents in the earlier studies seem to Stiles and Taylor unduly cynical, and the managerialist perception of boards, in association with the tenets of agency theory, as unnecessarily negative, perhaps the respondents in their own study were too complacent and their prescription for future success in corporate governance not as secure as Stiles and Taylor's results implied, given the dramatic failure of corporate governance in the financial crash of 2008-2009. Nonetheless, they raise a number of interesting possibilities to bear in mind when considering the perceptions of governing body members in the UK higher education sector.

#### 3.7.4 *The study of board processes*

In relation to board processes, Daily, Dalton and Cannella (2003) suggested, *inter alia*, in a wide-ranging survey, that they have been under-researched. A similar view was expressed by Forbes and Milliken (1999, 502), who concluded that 'understanding the nature of effective board functioning is among the most important areas of management research'. This view was echoed by a number of contributors to a special issue of the *British Journal of Management* published in 2005, highlighting research by Roberts *et al* (2005) and responses to that research. As already noted above (sub-section, 3.6.1), the work presented by Roberts *et al* arose from their contributions to the Higgs Report. In their 2005 paper they suggested

that despite considerable empirical work there remains very limited understanding of the working processes and effects of boards of directors. (Roberts *et al*, 2005, S5)

Several of the other papers in the volume prompted by Roberts *et al*'s work are also of interest. Pye and Pettigrew (2005), for instance, accepted that much scope remained for further work on board processes and related issues. They recommended pursuing studies that 'seek to relate process and practice to performance over time', and pay 'attention to micro-processes' in board interactions such as 'trusting, influencing' and 'risking ... which would shed light on the (shifting) power to define meaning and adjudge effectiveness of behaviour' (Pye and Pettigrew, 2005, S36). These recommendations are apposite not only in the context of private sector governance, but also in relation to public sector governance, including higher education governance.

### 3.7.5 Board frameworks

In another response to Roberts *et al*'s 2005 paper, Huse (2005) considered different ways in which board accountability has been defined in the business world – noting the long-standing primacy of agency concepts, but also the growth of alternative perspectives. Huse diagnosed a gap between the roles boards are expected, or predicted, to play, and the ways in which boards and their members actually undertake those roles. He also highlighted the importance of 'formal and informal board structures and norms' and the tendency for boards to rely on 'formal and informal rules', particularly the latter (Huse, 2005, S74). In drawing up 'a framework' of 'concepts relating to actual board behaviour' (Huse, 2005, S66-74), Huse made a strong case for viewing board roles and board member behaviour from multiple

perspectives, and in doing so highlighted the potential importance of qualitative studies that draw directly on the accounts of board members.

Another attempt to provide a framework for the study of boards was that of Nicholson and Kiel (2004). They took a systems view, where the board is regarded as a social phenomenon and has a number of components (for example, policies, procedures, personal relationships and individuals' knowledge, skills and abilities), that receive a variety of inputs and transform them into outputs including board and corporate performance. They went on to suggest that successful boards have a number of common characteristics, such as internal interdependence, a capacity for feedback, the potential to pursue and achieve outcomes in a variety of ways, and the capacity to adapt to changing environmental conditions. Given these characteristics, boards work as transformation processes, relying on members' intellectual capital - human, social, structural and cultural - to achieve effective governance. The contributions of board members are therefore made possible because of their general and specific knowledge and experience, their internal and external networks and inter-relationships, the board's framework of explicit and implicit policies, procedures and cultural traits, and the cultural values, norms and motivations of the individuals making up the board (Nicholson and Kiel, 2004, 444-452). Like Huse, Nicholson and Kiel provide an interesting and useful way of combining a range of approaches to studying and evaluating 'the complexities of boardroom life'.



### 3.7.6 *Other studies of corporate governance in the private sector*

There have been many studies of more specific aspects of corporate governance in the commercial world, including further work that may be of use in a comparative context. For example, Pettigrew and McNulty considered 'power in the boardroom' and 'the contribution to strategy by chairmen and non-executive directors' (Pettigrew and McNulty, 1998; McNulty and Pettigrew, 1999). In their 1999 paper, they studied just over one hundred non-executive company directors in the UK and concluded that while their influence on corporate strategy did not often extend to initiating 'strategic plans and ideas' they had an 'active involvement ... in processes of strategic choice, change and control' (McNulty and Pettigrew, 1999, 70). This, they noted, was in contradiction to the findings of authors such as Mace (1971; see sub-section 3.7.2).

The idea of a 'legalistic perspective' on boards, associated with paying close attention to the fulfilment of boards' legal requirements, is discussed by authors such as Zahra and Pearce (1989, 292-297) and Huse (2007, 43-44). As Zahra and Pearce put it, this approach 'posits that board attributes – composition, characteristics, structure, and process – determine a board's performance of its two primary roles: service and control' (Zahra and Pearce, 1989, 292). A range of potential drawbacks to the legalistic perspective have been identified, with Huse, for example, noting that 'from a legal perspective the main board task ... will be that of acting in a crisis' and that boards often do not even do 'what they are supposed to do according to the law' (Huse, 2007, 44). Considerations of this kind, and the strong focus in the literature

on other theoretical perspectives, may help explain why there is little explicit attention given to ways in which private sector boards carry out their legal and regulatory responsibilities. A variety of other studies could also be cited, but it now seems more appropriate to consider studies of governance in the public sector.

### **3.8 Governance research in relation to the public sector**

#### **3.8.1 *The public sector generally***

Governance in the public sector has a very wide scope as to the types of organisations involved and the range of activities they undertake, both in the UK and elsewhere. For the UK, Cornforth offered an interesting discussion of the context for public sector governance, and of aspects of governance theory that he feels are relevant to the study of public sector boards (Cornforth, 2003a, 1-14). He noted that there has been a particular focus on 'the stewardship role of boards', and on 'the ability to hold management to account and to see that resources ... are used properly' (Cornforth, 2003a, 6). He went on to discuss the relevance of a number of the governance theories highlighted above (Cornforth, 2003a, 6-11, and Table 0.1; see section 3.3), and pointed to their 'one-dimensional' nature, suggesting instead 'a multiple paradigm perspective, which focuses on the paradoxes of governance' and considers some of the 'main tensions facing boards'. For example, should boards be representative or professional, elected or appointed, and should the focus be on democracy or expertise? To

what extent should boards be risk averse, and concerned with conformance, and the 'careful monitoring and scrutiny of ... past performance', or focussed on performance, which 'demands forward vision, an understanding of the organisation and its environment, and perhaps a greater willingness to take risks'? And to what extent should boards control managers or partner with them? (Cornforth, 2003a, 13-14; see also Cornforth, 2003b.)

Cornforth, alone or with various collaborators, has made a number of other contributions to the literature on governance in the UK public sector. For example, Cornforth and Edwards studied boards' contributions to strategy in a variety of organisations (Cornforth and Edwards, 1998, 1999; see also sub-section 3.6.2). They found that overall the input of boards to organisational strategy was limited. It was most significant, and increasing, in the case of a further education college, where 'strategy-making' was seen as a clear board role, although the regulatory and compliance burden imposed on the institution was such that the board had less time to address strategy than they desired. The extent of boards' involvement in strategy was influenced by factors such as regulatory frameworks, traditions and norms, and various aspects of more detailed governance arrangements. There were also issues with regard to the practical matters such as the provision of information, with there being 'sometimes too little, sometimes too much', so that in the former case it was difficult to make any strategic contribution, while in the latter case the amount of attention that could be paid to strategy was limited (Cornforth and Edwards, 1999, 360-361).

Other interesting studies in the education sector include that by Deem *et al* (1995) (see also sub-section 2.5.3). This involved, *inter alia*, the direct exploration of school governors' views of their roles, and the roles of their governing bodies. Amongst the conclusions reached was that, while lay governors brought a great deal of useful knowledge to their schools, from their previous experience or current occupations, their 'knowledge about *educational* institutions and processes ... sometimes appeared incomplete, fragmented and, on occasion, inaccurate' (Deem *et al*, 1995, 85, their emphasis). In addition, 'lay governors frequently have views about education ... at odds with the values and educational philosophies of the schools they govern' (Deem *et al*, 1995, 85-86). While this could lead to positive interactions, it could also lead to conflict, and to professional staff trying to limit lay governors' involvement, or to confine it to areas other than learning and teaching. Notwithstanding the differences between school governance – with its explicitly participatory and notionally democratic aspects – and higher education governance, there is potential for comparing Deem *et al*'s findings with the findings of this study, particularly with regard to external governors' knowledge of higher education.

More recently, Farrell (2005) studied the extent to which school governors were involved in strategy. The context of her work was the increasing use of private sector boards as models for boards in the public sector. She noted, *inter alia*, that 'legislative reform [had] placed significant responsibilities for school leadership and strategic development with school governing bodies', but found that governing bodies were 'not significantly

involved in strategic activity' (Farrell, 2005, 107). Farrell follows a model proposed by McNulty and Pettigrew (1999) in their paper (referred to in sub-section 3.7.6 above) on the role of board members as strategists in large UK companies. Farrell's work is therefore both of interest in its own right, and as an example of using ideas developed in relation to governance in the private sector in a public sector context.

### 3.8.2 *The National Health Service*

Another substantial strand in the literature on UK public sector governance is that concerned specifically with the NHS. For instance, two overviews of corporate governance in the NHS are provided by Ashburner (1997, 2003). In the first of these studies, Ashburner questioned the appropriateness of adopting private sector board models in the NHS. This was in the context of the creation of NHS trusts, and the consequent adoption of new organisational and governance structures. She also considered boards' roles in relation to strategy development, concluding that it was 'problematic to assess the role and influence of the non-executives ... since this is often an implicit rather than an explicit process' and that boards' effectiveness depended 'upon the willingness of the executives to open up the strategy formulation process to the board' (Ashburner, 1997, 292-293).

In the second of Ashburner's studies, she suggested there had been a transition in NHS governance from 'conformance', through 'performance' to 'a small move back towards recognising the importance of accountability'. In these changes, Ashburner saw a tension between the role of boards in

promoting performance, through their involvement in strategic decision-making, and the need for them to ensure accountability. She also noted that in some cases this tension was associated with a perception that boards' effectiveness was reduced if they paid too much attention to accountability, and that it was more relevant to consider the need for boards to balance their responsibilities 'in relation to accountability, probity and effectiveness' (Ashburner, 2003, 213-18).

Following the move to allow for the creation of new 'foundation trusts' from 2003, further work on NHS governance has been carried out by Storey with two different but over-lapping groups of colleagues (Storey *et al* (2010 and 2011). Part of their research concerned perceptions of 'good governance' in the NHS and how senior managers and others were interpreting and developing institutional governance arrangements. They noted that some of their informants, 'especially chief executives' were sceptical about the value of governance, although the 'chairs of boards and non-executive directors were champions of the idea' (Storey *et al*, 2010, 8). Good governance was understood by board members to be about achieving 'a balance of forces which enabled various role-holders to make appropriate inputs', and they 'found statistically significant evidence to show trust board governance did make a difference'. They also noted, with regard to the specific role of chief executives, that too much assertiveness was a bad thing, and when chief executives were seen as being too assertive, '[NHS] trust performance measures on a whole range of variables tended to be low' (Storey *et al*, 2010, 8).

Taken together empirical studies of governance in the NHS provide a further useful source of comparative material to inform the study of higher education governance. However, in relation to studies of governance in both the NHS and other parts of the public sector, it is important to bear in mind differences of context, and detail, when making comparisons with the higher education sector. School governing bodies, for example, are required to include parent governors, for which there is no direct analogy in the higher education sector. NHS boards, on the other hand, are very clearly executive boards. They are quite small, usually with eleven members, consisting of a non-executive chair, plus equal numbers of non-executives and executives. These arrangements are, again, very different from those that obtain in the higher education sector. In addition, while there have been many changes to the context within which higher education governing bodies operate (as shown in chapter 2), there have been at least as many, and arguably more, changes to the contexts of other parts of the UK public sector, particularly the NHS. Nonetheless, while details of governance structures and the contexts in which they operate vary, there are at the same time strong commonalities in terms of formally defined purposes and goals that make comparisons still of significant interest and use. With this in mind, I shall turn to previous studies of higher education governance.

### **3.9 Previous studies of higher education governance**

#### **3.9.1 *Starting points***

A small number of studies of the governance of higher education in the UK have already been referred to above, either in chapter 2, or above (see sub-section 3.6.3). These will be touched on again here, together with other research on UK higher education governance. Some reference will also be made to studies of higher education governance outwith the UK that are of potential comparative relevance. In considering this material, it should be borne in mind that despite the amount of attention paid to governance in UK higher education institutions in recent years, the amount of research directly concerned with governance has until recently been rather limited. This is illustrated, for the period up to 2003, by Tight's overview of research into higher education. He shows, *inter alia*, that only a minority of the research into higher education being undertaken at the turn of the last century was concerned with institutional management and governance (Tight, 2003, 22 and 45). Nonetheless, although the overall volume of relevant work is limited, there have been a number of useful studies.

#### **3.9.2 *Overviews of higher education governance***

As noted in chapter 2 (sub-section 2.8.1 *et seq*), Shattock (2006) provides a good overview of governance in the UK higher education sector, describing the main features of higher education governance, and offering, *inter alia*, interesting and helpful summaries of some of the crises in higher education governance during the 1980s and 1990s (see sub-section 2.11.1).



Other overviews of higher education governance can also be cited. Tapper (2007), for example, focused on the system level and offered a cogent account of the development of higher education policy in the UK, particularly from the 1980s onwards. He was, however, concerned largely with political governance, and not with institutional governance. Braun and Merrien (1999) also principally addressed system level governance, but offered a comparative perspective, with contributions relating to several other European countries, and the United States, as well as the UK (McNay, 1999), as did Kogan *et al* (2006) and their contributors (although Askling and Henkel (2006) had something to say about institution level governance). These studies, like that of Deem *et al* (2007), help set more focussed institution level studies in a wider context. They demonstrate that higher education institutions' freedom of action, and the practical extent of the autonomy that can be exercised by their governing bodies, have become increasingly circumscribed over at least the past twenty to thirty years.

### 3.9.3 *More specific research into higher education governance in the UK*

Notwithstanding the fact that the overall volume of research on higher education governance has been relatively limited, it has been the focus of two special issues of *Higher Education Quarterly* in 2002 and 2004 (volumes 56 (3) and 58 (4)). Articles in the first of these volumes addressed subjects such as the external pressures on universities (Salter and Tapper, 2002), the case for a continuing role for academics in university governance (Dearlove, 2002), and governance in the new universities created from the former polytechnics

(Bennett, 2002; Knight, 2002). In addition, Shattock argued the merits of a 'move back to the concept of "shared governance"' (Shattock, 2002, 235).

Shattock is a particular proponent of the concept of shared governance (see also Shattock, 2005), arguing that institutional governance in higher education needs to be 'rebalanced' so that neither the 'corporate-dominated', nor the 'academic-dominated' forms have primacy (Shattock, 2002, 235). He also notes that the UK's two most successful institutions 'by far' (i.e. Cambridge and Oxford) are those with only 'minimal lay involvement' in their governance (Shattock, 2005, 214-215).

The second special issue of *Higher Education Quarterly* focussed specifically on the governance recommendations arising from the Lambert Report (see also sub-sections 2.7.1 and 2.11.3). Two contributors - Shattock (2004a and 2004b) and Buckland (2004; see also sub-section 3.3.3) - were particularly critical of the Lambert recommendations, with Shattock, for example, seeing them as 'a distraction from a proper consideration of the factors that encourage improved performance' (Shattock, 2004a, 227). Middlehurst (2004), in contrast, took the Lambert Report as a starting point for a discussion of leadership roles and management structures, with a focus on internal governance arrangements. Her call for 'a shift in focus from structures and roles to people and processes' (Middlehurst, 2004, 259), in relation to future internal management and governance arrangements, chimed with Bennett's recommendation that more research into governance

processes was needed, as the boards of the post-1992 universities were 'very efficient but not necessarily very effective' (Bennett, 2002, 287).

In addition to the calls from Bennett and Middlehurst for more study of governance processes, two common, and related, threads are discernible in the articles just cited. These are a concern about the validity or usefulness of applying governance models drawn from the private sector to higher education, and a view that there remains merit in the involvement of academic staff in the governance of their institutions.

Middlehurst has made other contributions in relation to higher education leadership and governance (for example, Middlehurst, 1993; 2008). In her earlier study, she saw the external members of governing bodies as a 'group who contribute symbolically and actively to the success of institutional leadership', although she also suggested that they were 'not directly concerned with ... those aspects of leadership which involve articulating values and developing commitment and cohesion within the institution' (Middlehurst, 1993, 114-115). In her later work, Middlehurst again focused principally on the leadership roles of universities' senior executives, but she also recognised the potential for governing bodies to make important contributions.

Other relatively recent studies of aspects of the governance of UK higher education institutions include Elton (2008) on the relevance of Humboldt's ideas with regard to academic freedom and their implications for

governance arrangements; Salter and Tapper (2000) on the 'politics of governance' with particular reference to quality assurance; and Taylor (2006) on the implications for institutional governance of the introduction of new internal management and organisational structures in four pre-1992 universities. However, little of the material cited so far in this sub-section goes very far in relation to consideration of the roles of governing bodies and their members, or the issue of governing body effectiveness, other than Bennett's paper in regard to the latter. There is also hardly any consideration of the potential relevance of governance theory, apart from by Buckland, and I shall turn to this issue next.

#### 3.9.4 *Engagement with governance theory*

A recent discussion of university governance from a theoretical perspective, drawing on data from the UK, the 'British Commonwealth' (as the Australian author puts it) and the United States, is offered by Trakman (2008). He identified 'five primary models of board level governance ... (1) faculty; (2) corporate; (3) trustee governance; (4) stakeholder; and (5) amalgam models' (2008, 63). Although using similar terminology, he does not, however, engage fully with governance theory, using the term 'corporate governance' to encompass a very general idea of governance that focuses on 'fiscal and managerial responsibility'. Nonetheless, Trakman questions the 'captivating rationale of corporate efficiency' and the fact that this is often contrasted with a perception of universities as being 'poorly managed or fiscally inefficient' (Trakman, 2008, 69). Ultimately, although Trakman offers some interesting

thoughts about different aspects of university governance, he does not draw any very clear conclusions about his models and their applicability.

In their wide-ranging empirical study that has already been cited several times (see, for example, sub-sections 2.8.3, 2.10.1 and 3.6.3), Bargh *et al* (1996) have something to say about 'comparative perspectives on corporate governance', under which heading they refer to developments in the private sector, changes elsewhere in the public sector in the UK, particularly in the NHS, and developments in other parts of Europe and in the United States (Bargh *et al*, 1996, 152-168). However, they make no explicit reference to governance theory, focussing instead on the growth of managerialism and the government's encouragement

of the belief that the corporate sector provides the most appropriate model of governance for higher education in the age of massification and marketization. (Bargh *et al*, 1996, 167)

A number of other empirical studies do, however, make explicit mention of governance theory. For example, Bennett (see again sub-section 3.6.3) discussed the 'stewardship', 'agency' and 'representation' models of governance (Bennett, 2001, 12-13). He did not, though, develop or discuss these concepts to any extent. Llewellyn (2007), in his study of the role of governing body secretaries, had somewhat more to say, highlighting various facets of the agency, stewardship, stakeholder and managerial hegemony theories, and concluding that there was merit in combining theoretical perspectives (Llewellyn, 2007, 34-39). He also saw particular benefit in the concept of 'the paradoxes of governance', following Cornforth (2003b) (see sub-section 3.8.1). Finally, Berezi (see again sub-section 3.6.3) discussed

agency, stewardship, stakeholder, managerial hegemony and class hegemony theories, and suggested a number of ways in which these theories could be related to the roles of university governing bodies. For example, in relation to class hegemony theory, Berezi noted that the external members of university governing bodies tend to be recruited 'from among corporate elites in business, industry and the professions' and that the theory suggests that such elites will be self-perpetuating, and will promote particular approaches to governance (Berezi, 2008, 58-59). Berezi's brief discussions of the implications of other governance theories for university governance are not dissimilar to the comments I have offered above (see section 3.3).

Berezi also discussed the applicability of various facets of governance theory in relation to his findings. He suggested, for example, that one could perhaps see the funding councils as principals operating on an agency theory basis *vis a vis* individual universities. In relation to stewardship theory, Berezi saw a number of the governing bodies that he studied operating in accord with its tenets; he identified these institutions as forming a 'proactive-active' group (see next sub-section). In the case of stakeholder theory, Berezi identified what he called an 'accountability deficit', due to the 'limited representation of stakeholder groups' (Berezi, 2008, 296). This led him to recommend that there should be more academic representation on governing bodies (Berezi, 2008, 301). This was an interesting position for Berezi to adopt, given that it runs counter to the trend towards less academic influence on governance of the last twenty years. However, Berezi's finding of an accountability deficit in

relation to stakeholders was not one for which evidence was found in my own study (see sub-sections 7.5.3 and 8.2.3 below).

Rather more extended reference to governance theory was a feature of Schofield's recent study of governing body effectiveness (Schofield, 2009; see also sub-section 3.6.3). In addition to considering agency and stewardship theory, Schofield discussed what he called management, political and partnership perspectives (Schofield, 2009, 18-26). He related his management perspective to the 'inevitably ... managerial view' resulting from the development of the combined code of governance in the UK private sector (FRC, 2010). In the case of political approaches to governance, Schofield suggested that these would not generally be applicable in the UK, other than perhaps in the context of large federal institutions. Finally, with regard to partnership governance, Schofield cited the John Lewis Partnership as a strong exemplar, and suggested that it 'provides a good example of the correlation between a hugely successful business and explicitly collegial governance' (Schofield, 2009, 25).

In relation to the overall utility or validity of governance theory, Schofield concluded that it 'probably depends upon the nature of the organisation and board' in question in any particular set of circumstances. He suggested that a hybrid approach to governance theory is likely to be of most relevance and adopted such an approach in drawing his conclusions, and making recommendations, about governing body effectiveness (Schofield, 2009, 25-26).

### 3.9.5 Findings from empirical studies

Having touched on the extent to which they engaged with governance theory, I shall now turn to the principal findings of the empirical studies considered above, adding to those studies that of governing body chairs by Bott (2007), who did not discuss governance theory *per se* in his work. Starting again first with Bargh *et al* (1996; also sub-sections 2.8.3, 2.10.1 and 3.6.3) their research involved a questionnaire survey of nearly 750 governing body members from 28 higher education institutions, and four case studies, in which governing body members and senior staff were interviewed (Bargh *et al*, 1996, Appendix 1). This led them to posit eight possible roles for governing body members. These were:

- five internal roles in relation to
    - strategy (determining strategic mission);
    - audit (guaranteeing financial and organisational integrity);
    - supervision (overseeing the chief executive, etc);
    - managerial issues (appointing staff and setting performance-related remuneration); and,
    - participation in formal appeals mechanisms.
  - two external roles
    - representing the institution; and,
    - negotiating on behalf of the institution.
  - one combined internal/external role
    - providing support for the institution
- (Bargh *et al*, 1996, 89).

The more broad-ranging of the roles included in Bargh *et al*'s list bear a reasonably close relationship to those subsequently set out in the code of practice produced by the CUC (CUC, 2009), and to the roles identified by governing body members in this study (see, in particular, chapters 5 and 6). From their questionnaire, they deduced that governing body members



regarded their strategy, audit and supervision roles, in that order, as the most important.

In the case of Bennett (2001), he combined analysis of the minutes of board meetings from three higher education corporations with a questionnaire survey of board members in one of those institutions and four others. From the former, Bennett concluded, *inter alia*, that the response of most governors to most items was passive. He also found that 'very few items' addressed 'issues concerning boards' purpose, effectiveness or accountability' or 'appeared to be designed to assist the board to monitor the executive' (Bennett, 2001, 98). In the case of his questionnaire data, Bennett's findings, which focussed primarily on issues of effectiveness, have been discussed above (sub-section 3.6.3).

Bennett's principal conclusions were about the passivity of boards, the high level of support for his 'effective governance factors', the differences in some areas between the views of external governors and staff or student governors, and issues relating to the training provided for governors. Bennett's conclusions were based on the assumption 'that Boards of Governors are the focus of power within institutions'. However, given the 'apparent lack of debate, or discussion, on major strategic and governance issues', he wondered whether this meant that real power lay elsewhere, and therefore whether, in consequence, the responsibilities of boards should be changed, given that they appeared to be failing to be effective in relation to their existing responsibilities (Bennett, 2001, 137). These aspects of

Bennett's discussion suggest the boards he studied were operating in accordance with the tenets of managerial hegemony theory, although this was not one of the theoretical positions on governance that he himself discussed.

Bott (2007) undertook a study of the role of the chairs of university governing bodies. This involved him interviewing chairs, other members of governing bodies and senior managers in four universities (two pre-1992 and two post-1992 institutions). His range of respondents and types of institution were therefore similar to those in this study, as was his overall research methodology. Bott characterised the results of his research as providing 'a detailed "insider's" picture of the chair's job' (Bott, 2007, 202). He used the concept of the 'chair's domain' to refer to the 'territory of the university ... over which the chair exercises authority and power', as distinct from 'the domains of other bodies and officeholders'. This domain included 'rules and regulations', but also 'formal and informal understandings' about the chair's role 'amongst key players' (Bott, 2007, 204).

Bott identified a range of influences on chairs and their domains. The external members of a governing body, as a group, were one such influence. He reported the existence of a marked level of incomprehension (and some exasperation) between external members of governing bodies and internals, which was sometimes mutual. This, he suggested, was 'the obverse of [the] generally-expressed "complementary skills and talents" argument for non-expert majorities on governing bodies' (Bott, 2007, 205). Interestingly, as will be seen below in due course, there was relatively little sign of

incomprehension or exasperation with their counterparts in the views expressed either by external or internal respondents in this study.

Other features of Bott's work highlighted:

- the tendency of chairs to adopt approaches to governance drawn from their experience in commercial and business environments;
- chairs' role as leaders on their governing bodies of a small group of senior lay governors (with such 'inner circles' existing in all four institutions studied);
- chairs' significant role in strategy development; and,
- evidence that the boundary between governance and management was 'so mutable as to have become almost a fiction'. (Bott, 2007, 208-216)

Overall, Bott suggests that the role of chairs, which has always been significant, is becoming even more so, with the chair's domain extending into new areas both within and outwith the university.

As noted in sub-sections 3.6.3 and 3.9.4, Llewellyn (2007) was concerned with the role of governing body secretaries. In his study he used a web-based questionnaire, and a programme of semi-structured interviews with secretaries, chairs and Vice-Chancellors from nine institutions. In framing his research, Llewellyn developed a proposal that there were three 'cross-cutting themes' related to the role of governing body secretaries, these being 'role context, relationships and influence' (Llewellyn, 2007, 159), all three of which he found evidence for. Through the use of cluster analysis on data from his web-based survey, Llewellyn identified three 'practice-based' institutional groupings (Llewellyn, 2007, 167), and concluded that 'institution type' was not 'a key determinant in the practice of governance' and that 'the

approach taken by institutions' could be better characterised via the practices they used.

In the case of the research undertaken by Berezi (2008) (see also sub-sections 3.6.3 and 3.9.4 above), he set out to explore the 'perceptions of lay university governors and their accounts of governance practices' in seven universities in England and Scotland. Given this, it is perhaps not surprising that two of Berezi's four principal research questions were very similar to the questions posed in this study, as they related to the ways in which governing body members' 'perceive and understand their governance roles and practices', and the ways in which they 'claim to assert the effectiveness of their governance practices and performance' (Berezi, 2008, 269-270). His results are therefore clearly very pertinent here<sup>1</sup>.

In his main study Berezi interviewed 27 people associated with governing bodies - 15 from four English universities, and 12 from three Scottish institutions. Berezi also observed governing body meetings at five institutions, and a committee meeting at one other university, as well as collecting documentary material. The majority of his conclusions arose, however, from his analysis of interview data. Those conclusions concerned:

- governing body members' backgrounds and motivations;
- the principal roles of governing bodies, which he identified as being concerned with accountability, strategy, monitoring,

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<sup>1</sup> I did not become aware of Berezi's work until the middle of 2011. Berezi's approach to his research therefore had no influence on my own research questions and methodology, nor on my data collection. Having become aware of his thesis while I was undertaking my data analysis, I took the decision not to read his work until after I had completed that data analysis, when I came to revise and update my literature review.

compliance and assessment (of the performance of the governing body);

- approaches to strategy which were either 'reactive-passive' and largely 'executive-driven', or 'proactive-active' and more collaborative, with greater lay contribution (the first of these two approaches Berezi associates with the managerial hegemony strand of governance theory, the latter with stewardship);
- risk assessment and control, where he found the focus to be on management risk, rather than governance risk;
- the accountability of governing bodies; and,
- issues around performance reviews and the effectiveness of governing bodies and individual governors. (Berezi, 2008, 270-289)

As will be seen in due course, there are some areas where the data analysed in this study support Berezi's conclusions, but other areas where they do not. Berezi suggested that 'the cultural emphasis of the institutions [studied] has massively shifted from the collegial to [a] corporate culture of governance and management' (Berezi, 2008, 293). This is a view which I think can be regarded as sustained in part by the findings from this study, but which the evidence I shall present suggests is not as clear cut as Berezi's 'massively' implies, being instead in my view rather a question of combining a more corporate approach with a significant degree of continuing regard for collegiality.

In this review of recent detailed studies of higher education governance in the UK, the final example I shall refer to once again is the report by Schofield (2009), which has also already been considered above (see sub-sections 3.6.3 and 3.9.4). Schofield's work made use of a questionnaire survey, carried out on behalf of the LFHE and CUC by the Office of Public Management (OPM), and interview-based case studies. The OPM's

questionnaire was addressed to governing body members and executives in 27 higher education institutions. Six main topics were covered, relating to:

- institutional purpose and mission;
- effective performance;
- the promotion of institutional values and good governance;
- taking transparent decisions and managing risk;
- developing the governing body; and,
- engaging stakeholders, partnership working, and accountability.

(Schofield, 2009, 49)

The results showed, *inter alia*, that there were 'high levels of satisfaction' in relation to:

- the understanding of governing bodies' responsibilities;
- governing bodies role in relation to strategy; and,
- the working relationships between governing body members and institutions' senior managers.

They also suggested that there were 'areas of challenge' with regard to:

- communication and relationships, both internally and externally, particularly 'in many cases with the senate or academic board';
- the need for better performance monitoring of governing bodies and individual governing body members; and,
- benchmarking performance. (Schofield, 2009, 49)

The survey's results therefore offer some potentially interesting insights to consider alongside the results arising from this study.

Taken as a whole, the work discussed above by authors such as Bargh *et al*, Bennett, Berezi, Bott, Llewellyn and Schofield covers a wide range of topics that are pertinent to the research reported here. Unlike much of the other literature discussed above, their findings are directly concerned with higher education governance. Provided, of course, that those findings are used carefully and with discrimination, they are potentially of significant

relevance for comparative purposes when considering the conclusions reached in this thesis.

### 3.9.6 *Research outwith the UK*

Another area of work of potential relevance to this study is that concerned with higher education governance outwith the UK. However, bearing in mind the different contexts in which such research has taken place, and its extensive nature, particularly in relation to the USA, I shall touch here only on a small number of studies of particular relevance, starting with a study by Baird (2004) on higher education governance in Australia. Despite the Australian context, the subject of Baird's research – which is concerned with how governing body members perceive and carry out their roles - and the way it was carried out, places it firmly in the same general category of research as this study, and several of those cited above by, for example, Berezi (2008), Bott (2007) or Llewellyn (2007).

Unlike the other studies just cited, or this research, Baird's work was explicitly associated with a particular theoretical framework, in that she made significant use of Bourdieu's sociological theories and of critical discourse analysis (Baird, 2004, 68-97, particularly 69-73). In doing so, she developed an approach involving the identification of 'repertoires of value' to which she related the ways in which governing body members discussed the governance of their institutions. She also linked three of these repertoires to the governance models set out by Hung (1998; see sub-section 3.3.7 above). Baird's 'repertoires' were:

- the business repertoire, associated with agency and stewardship theories;
- the community stakeholder repertoire, with an emphasis on public legitimisation and civic engagement, associated with stakeholder and resource dependency governance models;
- the university community repertoire, which stresses traditional university values and participation by academics, associated with managerial hegemony, but also with institutional and stakeholder governance models; and
- the repertoire of professionalism, which focuses on governing body effectiveness and ideas linked to supposed best practice in governance. (Baird, 2004, 145-149)

In her overall conclusions, Baird suggested, *inter alia*, that governing body members used multiple concepts in discussing governance, that the business repertoire was not dominant although it was used 'to marginalise other discourses' and that governance 'is being shaped by an emerging professionalised discourse ... that is not specific to universities' (Baird, 2004, 255).

Turning to the United States, there has been extensive study of higher education governance. Examples of recent overviews include those by Gayle *et al* (2003), Kezar and Eckel (2004), and Mortimer and O'Brien Sathre (2007). There is, however, no scope for any extended discussion of such work here, nor – given the distinctive and different US higher education context – would such discussion arguably do other than provide further generic examples of governance roles and how they are perceived. Nonetheless, I believe that it is relevant to make reference to work by Chait *et al* (2005), and a recent study by Kezar (2006), because of their influence on the recent work by Schofield (2009) on UK governance that has been cited several times above.



Building on earlier work (Chait *et al*, 1991; 1996), Chait (with one of the same colleagues and one new colleague) has recently undertaken research on 'governance as leadership' (Chait *et al*, 2005). In this study, Chait *et al* developed the idea that there are different 'modes of governance' – fiduciary ('concerned ... with the stewardship of tangible assets'), strategic (involving the creation of 'a strategic partnership with management') and generative ('a critical source of leadership') (Chait *et al*, 2005, 6-7). The latter is seen as involving ultimately a new approach to governance, and as contributing strongly to the capacity of governing bodies to be effective. The ideas in this study are important in the UK context because of their influence on the work of Schofield (2009). That influence should not be over-stated, but Schofield refers to Chait *et al*'s work in the section of his report which identifies 'effective leadership and governing body dynamics' as the first of his 'enablers of effective governance' (see sub-section 3.6.3 above). This is in a context where leadership has not previously featured to any great extent (i.e. prior to Schofield's report) as a potential role for the governing bodies of UK higher education institutions.

Also influencing Schofield is recent work by Kezar (2006). Schofield noted explicitly that the six factors he identified as enablers of effective governance build on Kezar's work (Schofield, 2009, 27). That work reported the results of a wide-ranging empirical study of governing board performance, focussing on public higher education boards in the US. Kezar stressed both the need for higher education institutions to have 'high-performing boards',

because of the 'complex issues' they face, and the lack of a clear definition of what constitutes or contributes to high performance/effectiveness (Kezar, 2006, 969-970). She went on to identify six 'elements of high-performing boards' associated with board leadership and culture, the provision of appropriate support for the board, maintaining effective external relations, good relationships amongst board members, and having the right governance structures (Kezar, 2006, 984-997, and Table 1). Factors similar to at least some of these will in due course be seen to be perceived as important by governing body members in this study.

### **3.10 Summary and conclusions**

#### **3.10.1 *The limits of previous studies***

The discussion of the literature set out above illustrates the relative paucity until recently of studies into higher education governance in the UK, despite the rise to prominence of the issue at the behest of government and intermediary agencies such as the funding councils. It also demonstrates that although a number of studies of university governance have been undertaken in recent years, those studies have only considered to a limited extent the potential explanatory value of governance theory. In addition, it remains the case that few studies have thrown light on the questions of how governing body members in general perceive their roles, and the effectiveness of their governing bodies.

Both in relation to the explanatory value of governance theory, and in the case of research into the roles of board members, board processes and what may constitute or promote effectiveness in governance, studies undertaken in the private sector and in other parts of the public sector can make up to some extent for the relative paucity of work directly concerned with higher education governance. For example, research such as that of Mace (1971), Lorsch and McIver (1989), Stiles and Taylor (2001), McNulty *et al* (2003), Pettigrew and McNulty (1998) or Roberts *et al* (2005), addresses how board members perceive their roles, and how they view their capacity to contribute to boardroom effectiveness. Similarly, the discussions of public sector governance by authors such as Ashburner (1997, 2003), Cornforth (2003a, 2003b, 2003c) or Deem (1995) provide further comparative material against which to consider the results of this study. Together with those studies of higher education governance that have been cited above, material of this kind provides a good basis against which to consider the findings of the empirical study reported in this thesis. With this in mind, I shall turn in the next section to a review of my research aims and question and a discussion of methodological issues and research methods.

## Chapter 4: Research methodology, design and methods

### 4.1 Research aims and questions revisited

#### 4.1.1 Overall research aims

In chapters 2 and 3 various aspects of the context for this study were explored. It was shown that many factors have influenced the development of the current governance arrangements in the higher education sector in England, and that relatively little empirical research has been undertaken into the perceptions of higher education governing body members of the roles and effectiveness of their governing bodies. There is, therefore, a good *prima facie* case for undertaking further empirical research into the governance of English higher education institutions, and that it is both pertinent and timely to do so. It is in this context that the principal overall aims of the research pursued in this study, as set out in chapter 1, were:

- (a) to explore how members and other attendees of the governing bodies of English higher education institutions perceive the roles of their governing bodies, and their own roles as individuals involved with those governing bodies; and
- (b) to explore how members and other attendees of the governing bodies of English higher education institutions perceive the concept of effectiveness in relation to higher education governance, and the ways in which they contribute to enabling their governing bodies to be effective.

These overall aims remain valid in the light of the material reviewed and discussed in chapters 2 and 3, and it has also been shown that governing

body members' role perceptions need to be considered in the light of a number of other factors. Firstly, the explicitly stated expectations of governing body roles as promulgated by the Committee of University Chairs (CUC), and endorsed by bodies such as the higher education funding councils and the Leadership Foundation for Higher Education (LFHE) (see sub-section 3.2.5); secondly, the predictions as to the nature of governance roles derived from governance theory and institutional theory (see sections 3.3 and 3.4); and, thirdly, information obtained from previous studies of governance with a focus on the roles of board and governing body members, and in relation to effectiveness (see sections 3.6 *et seq*).

#### 4.1.2 *Specific research questions*

Given the overall research aims, the specific research questions it was decided to address were as follows:

- What are the main roles of higher education governing bodies, as perceived by governing body members and other attendees?
- How do the members and attendees of higher education governing bodies perceive their individual roles, and the ways in which they contribute, or not, to the overall roles of the governing body as a whole?
- What do governing body members and attendees regard as effectiveness in the context of the work of the governing body of a higher education institution?
- What factors do governing body members and attendees regard as the most important contributors to governing body effectiveness?

As well as these primary research questions, a number of subsidiary topics were also specified, including:

- To what extent do models derived from governance theory appear to be relevant or helpful in explaining or characterising the roles of higher education institutions' governing bodies?
- Bearing in mind recent instances of governance failure, how confident are governing body members and attendees of their collective capacity to identify potentially critical issues across the full range of their institutions' activities?
- Given the formal autonomy of higher education institutions, do governing body members and attendees regard their governing bodies as accountable to any external body or bodies, and if so in what ways?
- How do governing body members and attendees feel that the nature of governance practices and of the interactions between those attending governing bodies contribute to effectiveness?

In the terms used by Maxwell (2005, 72-73), the questions and sub-questions set out above should not be viewed from too instrumentalist a perspective. Instead they should be seen as providing a route towards the development of an understanding of the beliefs and perceptions governing body members have about their roles, rather than as ways of eliciting necessarily observable or measurable data. It is therefore not the intention that answers to these questions will be obtained that represent 'the truth' in some absolute sense, as it is clear that 'truth can vary from place to place and time to time' (Collins, 1983, 88). At the same time, where much of the data is derived directly from individual governing body members through interviews

(see sub-section 4.3.1), as is the case in this study, it is, however, also important that respondents do not supply information they know to be false or misleading (Easterby-Smith *et al*, 2002, 89-90). Bearing these points in mind, it is now possible to consider the research methodology and research design for this study.

## **4.2 Research methodology and research design**

### **4.2.1 *Underlying assumptions***

Explicit references to underlying epistemological and ontological assumptions do not often appear in the literature discussed in the preceding two chapters. Nonetheless, while it is clear that a variety of approaches have been adopted in previous studies of governance, it is also apparent that the commonest approach has been positivist and realist. However, given that the principal aims of this research, and the nature of the research questions, involve considering individuals' perceptions of the situations they find themselves in, I believe that it is most appropriate in this study to take an approach that recognises aspects of critical realism, interpretivism and constructionism. My stance is therefore relativist, in the terms used by Easterby-Smith *et al* (2002, 32-33), and assumes that different people can – and often will - have differing perceptions of the same events. Overall, I propose adopting a pragmatic perspective, without taking an extreme stance in regard to the extent of the subjective nature of institutions (see, for instance, Burrell and Morgan's seminal work (1979) on paradigms, and

subsequent discussions by authors such as Hassard (1991) or Willmott (1993); for a summary see Bryman and Bell, 2007, 25-27).

An additional aspect to the assumptions underlying my approach to this research is the proposition that the research process needs to be treated, at least in part, as a craft, as proposed by Daft (1983). Daft's position was developed in the context of a more general debate about the merits of so-called 'scientific conceptions of social research, and quantitative method' versus an increasing variety, and frequency of use, of qualitative research methods (see, for example, Seale, 2004, 99-113). For Daft, adopting, and relying solely on, formal research techniques was insufficient, and attention needed to be paid to 'research craft ... [whose] elements ... are neither fixed nor complete' and which rely on the deployment by researchers of their craft skills (Daft, 1983, 544). Daft therefore promotes the idea that the research process must, at least in part, be instinctive and intuitive. Explicit references to the idea of craft in research in other discussions of research methodology are relatively rare (although see, for example, Watson, 1994). However, I suggest that the concept of craftsmanship in research is important, and that the research process needs to involve not only the deployment of appropriate formal techniques and methods, but also conscious recognition of the role of the researcher's craft ability.

#### *4.2.2 Research design*

Given the focus of this study it was apparent that it would be important to obtain data directly from individual members of governing bodies. A



research design employing qualitative methods was therefore felt to be appropriate, involving direct interaction between the researcher and the research subjects. This contention is supported by Maxwell (2005), who highlights what he calls the intellectual and practical goals for which qualitative studies are suited. Maxwell's intellectual goals include, *inter alia*, 'understanding the *meaning*, for participants in the study, of the events, situations, experiences and actions they are involved with or engage in', 'understanding the particular *context* within which the participants act, and the influence that this context has on their actions', and 'identifying *unanticipated* phenomena and influences'; his practical goals for qualitative research include 'generating results and theories that are understandable and experientially credible' (Maxwell, 2005, 22-24, his emphases).

The presumptive use of qualitative methods, and the gathering of data directly from governing body members, perhaps through interviews or focus groups, was not, though, seen as precluding the use of additional methods as part of the overall research design, with a view to eliciting additional or supplementary data. A mixed methods approach, possibly involving in addition the use of a questionnaire survey, the analysis of secondary documentary evidence, and/or the observation of governing body meetings was therefore also considered.

Examples of all these research methods, used singly, or in combination, can be found in the literature discussed in the previous chapter. Bargh *et al* (1996), for instance (see sub-section 3.9.5), used a questionnaire

survey, combined with case studies in which governing body members were interviewed and one governing body meeting observed. In the case of more recent empirical research of higher education governance in the UK (see again sub-section 3.9.5), case study-based approaches were widely used, in combination with a variety of other methods, including questionnaire surveys (Bennett, 2001; Llewellyn, 2007), interviews with governing body members (Berezi, 2008; Bott, 2007; Llewellyn, 2006), observation of governing body meetings (Berezi, 2008) and documentary analysis (Bennett, 2001; Berezi, 2008).

A variety of methods has also been used in studies of governance in other sectors. The study of public and voluntary sector governance by Cornforth and Edwards (1998, 1999), for example, was based on four case studies and involved observation of meetings, semi-structured interviews and analysis of relevant documentation and systems. In relation to the NHS, Peck (1995) used a questionnaire survey, observation of meetings and analysis of board documents. In the private sector, the basis for the studies in the US by Mace (1971) and Lorsch and MacIver (1989) was semi-structured interviews. This was also the method used by Stiles and Taylor (2001) and McNulty *et al* (2003). (For all references in this paragraph see sections 3.7 to 3.9.)

In my view, the richest and most persuasive accounts amongst those touched on here, and others discussed in chapter 3, are those that used a case study design, and involved data collection via interviews with governing body or board members, or multiple methods, one of which was interviews.

With this in mind, and given the aims of my research and my proposed overall methodological stance, I concluded that a case-study design was appropriate, particularly in regard to the collection and initial analysis of my data. As will be seen below, however, I concluded in due course that detailed analysis of my data was best approached through considering the totality of the individual cases taken together – that is, at the level of the quintain, as defined by Stake (2006, 4-8; see sub-sections 4.2.3 and 4.5.4 below). I was also initially minded to use multiple methods, albeit with interviews of governing body members featuring prominently. However, as will again be seen below, my intentions in this regard changed also.

#### 4.2.3 *Case studies*

‘A case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context’ (Yin, 2009, 19). Case studies relate to things ‘such as a workplace or organization’ with an ‘emphasis ... upon an intensive examination of the setting’ (Bryman and Bell, 2007, 62), and ‘may be especially suitable for learning more about a little known or poorly understood situation’ (Leedy and Ormrod, 2005, 135). The last point is particularly pertinent with regard to existing knowledge of the perceptions of governing body members about governing body roles.

One suggested limitation of case studies is the extent to which the findings from such research can be generalised. This point is made, for example, by Bryman and Bell (2007, 63) and by Gillham (2000, 6). However, Yin argues that ‘case studies ... are generalizable to theoretical propositions’

if 'not to populations or universes' (Yin, 2009, 15), while Stake points to the feasibility of 'refining understanding' through what he calls '*petite generalizations*', as well as the potential for case study research to modify '*grand generalizations*' (Stake, 1995, 7; his emphases). Another positive discussion of the possibility of generalising, in certain ways and in certain circumstances, is offered by Flyvbjerg (2004, 423-425). Ultimately, these views all illustrate the need to ensure that the conclusions eventually drawn from any piece of case study research must be appropriate to the context in which the research was undertaken, the research questions posed, and the nature of the analysis undertaken.

Another consideration in case study research is whether the focus is on a single case, or on several cases (Gerring, 2007, 20). Yin suggests that the evidence from 'multiple cases is often considered more compelling, and the overall study ... [then] more robust'. On the other hand, he adds that there may be disadvantages from using multiple cases, because 'by definition, the unusual or rare case, the critical case, and the revelatory case all are likely only to involve single cases' (Yin, 2009, 53). This is a contention that I think Yin overstates, as it does not seem unreasonable to imagine that the unusual or revelatory features of a particular case might sometimes become even more striking in the context of a study of multiple cases.

If multiple cases are studied, Gerring suggests that as the number of cases increases, the intensity of the study of each separate case will eventually decrease to the extent that it will no longer be valid to regard the

approach as being case study research (Gerring, 2007, 20). The question to consider is then the balance between breadth and depth in a study, and the extent to which additional cases provide opportunities to explore more facets of the subject under investigation, and add to the richness of the data obtained. Issues of this kind are also discussed by Stake (1995, 2006). He notes that sometimes it may be appropriate to study single cases, but that often a collective case study (1995, 4-5), or multicase study (2006, 17-32), may be more appropriate. In the latter regard, Stake argues that 'the benefits of multicase study will be limited if fewer than, say, 4 cases are chosen, or more than 10' (Stake, 2006, 22). Stake discusses at some length how multiple cases might be chosen, and the varied approaches that this might involve. It is clear that there is often merit in undertaking case study research with multiple cases, and given the emphasis in the primary research aims and questions for this study on governing body members' overall perceptions of their governing bodies' roles and effectiveness that is the approach that is adopted in this study.

Where multiple cases are explored, as in this study, a further consideration that arises is how those cases are analysed. They can be analysed primarily on a stand alone basis, and the results for each case compared and contrasted with one another, or the analysis can consider the totality of the cases taken as a whole. In the latter case, Stake suggests that 'the single case is of interest because it belongs to a particular collection of cases' Stake (2006, 4) that have shared features. Together Stake defines the set of cases taken together as the 'quintain', or 'the object or phenomenon or

condition to be studied' (Stake, 2006, 6) – in this case the perceptions of governing body members. However, even where the principle object of study is the quintain, issues remain about the degree to which attention is focussed at the level of the quintain, or at the level of the individual cases. As Stake puts it:

Both the collective and the specific are worth knowing, but what is worth knowing next? ... The multi case study is about the quintain, but is it the quintain with loose ties to the cases or the quintain with vital ties to the cases? (Stake, 2006, 7)

This issue will be returned to below (sub-section 4.5.4).

#### *4.2.4 Parameters for selecting the case study institutions*

A number of ways of choosing the case study institutions could have been used, but in this study a purposive approach was adopted. However, even with the adoption of a purposive approach, the choice of case study institutions remained challenging, because of the variety of ways in which UK higher education institutions can be differentiated. Institutions can, for instance, be categorised by:

- the nature of their governance arrangements (for example, chartered vs incorporated institutions);
- institution size (measured in different ways – for example, income, number of students, number of staff);
- institution type (using a pre-existing typology - for example, Tight, 2007 - or one drawn up specifically for the study); or,
- institutional performance (whether in terms of financial outcomes, research assessment exercise (RAE) results, or National Student Survey rankings).

One could also consider other approaches, such as whether there might be particular value in studying institutions undergoing significant change, if such

could be identified, or institutions that appear to be operating broadly in a steady state.

An additional consideration was whether the institutions in the study should be drawn from across the UK as a whole, or just from within one of the UK's constituent parts – i.e. England, Northern Ireland, Scotland or Wales. Although many features of higher education are common across the UK, there are also differences, for historical and political reasons. To reduce this aspect of variability in the external environment, I decided that the case study institutions should be chosen only from amongst universities and other higher education institutions in England. However, having narrowed the parameters for selection in one regard, I then took the view that there was such a wide variation in the nature of English higher education institutions, judged by parameters of the kinds set out above, that at the institutional level it was more appropriate to allow for this variety than to attempt to minimise it. The range of institutions selected for the study therefore included:

- (a) both chartered and incorporated universities;
- (b) research-intensive and teaching-focussed institutions;
- (c) institutions with varied histories, ranging from a large civic university with nineteenth century origins, to an institution which became a university after 2000;
- (d) institutions ranging in size, as measured by student numbers, from under 5000 to over 30000, and in terms of total income from well under £25M to over £300M;
- (e) institutions varying in their degree of specialist focus from those entering staff to fewer than 10 units of assessment in the last RAE, to those entering staff to around 40 units of assessment.

Consideration was given to seeking to include either Cambridge or Oxford amongst the case study institutions. However, it was decided that their position *vis-à-vis* the rest of the higher education sector was too distinctive and too privileged.

#### 4.2.5 *The process of identifying individual institutions*

The process for identifying individual institutions combined a general approach to university secretaries and registrars with approaches to selected individuals already known to me. The general approach was by means of an e-mail message about my research kindly sent out by the Association of Heads of University Administration (AHUA). Almost all members of AHUA are secretaries to their institutions' governing bodies, and even where they are not they tend to work closely with the governing body secretary. The AHUA e-mail therefore drew my research to the attention of relevant institutional contacts. As I had been a member of AHUA myself, many of the recipients of the AHUA e-mail either knew me, or knew of me, and a number of people subsequently contacted me to indicate their willingness to assist with my research. I also followed up the AHUA e-mail by making direct approaches to a number of other people. In making contact, I briefly set out something about my background, the nature of my research, and what it involved in practice. Although dealing with university secretaries or similar post-holders, I recognised that they would need the agreement of the chairs of their governing bodies and their Vice-Chancellors (the final say might lie with the chair, but it was unlikely that a chair would agree unless the Vice-Chancellor was positive).



Through the AHUA e-mail, and my own direct approaches, I was able to identify five case study institutions. I had it in mind initially that a total of six institutions might be approached. This number was selected on the grounds that it was sufficient to ensure a reasonable reflection of the variety of the types of institution in the English higher education sector. In addition, by involving this number of institutions, the demands placed on each of them would be reduced. Seeking to involve more than about six institutions seemed likely to be impractical, given the overall time frame for the research. Once the first five institutions had agreed to participate, I delayed identifying a potential sixth institution in case any issues arose in the first five institutions that might influence my choice of additional institution. No such issues arose and I therefore eventually endeavoured to identify a further institution that differed from those already involved. Time constraints meant that several institutions were then approached at once, and when two of them, each differing in a number of ways from the institutions already included in the study, proved willing to take part, I took up both offers. In the end, therefore, there were seven case study institutions in all.

#### *4.2.6 Summary details of the case study institutions*

In terms of their governance arrangements, three of the seven institutions selected were chartered universities (pre-1992 universities), three were incorporated universities (two being post-1992 universities and one a post-2000 university), and one was a university college, with governance arrangements very similar to those of the incorporated universities. The institutions fell into a number of the categories in the typologies proposed by

authors such as Scott (1995, 43-53) and Tight (2007, 2009). It was also possible to differentiate some of the institutions by the self-selecting groups to which they belonged. The case study institutions therefore included members of the Russell Group (large, research-intensive institutions), the 1994 Group (small to medium-sized research intensive institutions), Million+ (primarily teaching-focussed institutions), and GuildHE (smaller institutions, mainly university colleges and teacher training or other specialist colleges).

The principal features of the case-study institutions in relation to a range of parameters are set out in Table 4.1 below. The numbers and types of governing body member at each institution are given in Table 4.2 overleaf.

Table 4.1: Case study institution parameters

Institution	Institutional parameters							
	Income (£M)	HEFCE %age	Rsch income (£M)	Staff (fte) (Acad/rsch vs total)	Students (Head count)	NSS rank	RAE rank	UoAs entered
CityMod	150	40%	<10	500-750 vs 1500-2000	20000+	2 <sup>nd</sup> q'tile	3 <sup>rd</sup> q'tile	<10
Civic	300+	30%	75-100	2000+ vs 5000+	20000+	2 <sup>nd</sup> q'tile	1 <sup>st</sup> q'tile	40
ExCAT	100	35%	10-25	<500 vs 1000-1500	7500+	1 <sup>st</sup> q'tile	2 <sup>nd</sup> q'tile	<10
Greenfield	125	30%	10-25	500-750 vs 1500-2000	10000+	2 <sup>nd</sup> q'tile	1 <sup>st</sup> q'tile	10-20
NewMill	<100	40%	<10	<500 vs 1000-1500	10000+	3 <sup>rd</sup> q'tile	4 <sup>th</sup> q'tile	10-20
TownMod	150	35%	<10	500-750 vs 1500-2000	30000+	3 <sup>rd</sup> q'tile	3 <sup>rd</sup> q'tile	10-20
Unicollege	<50	50%+	<10	<250 vs <500	<5000	2 <sup>nd</sup> q'tile	4 <sup>th</sup> q'tile	<10

Notes: HEFCE = Higher Education Funding Council for England; Rsch = research; Acad = academic; NSS = National student survey; RAE = Research Assessment exercise; UoA = Unit of assessment (in RAE); q'tile = quartile.

Table 4.2: Numbers and types of governing body member

Institution	Proportions of governing body members by type					
	Total members	External members	Exec staff members	Non-exec staff	Students	Attendees
CityMod	16-20	75%	5%	15%	5%	6-10
Civic	21-25	67%	5%	20%	10%	6-10
ExCAT	26-30	50%	33%	10%	10%	1-5
Greenfield	21-25	50%	10%	33%	5%	6-10
NewMill	21-25	80%	5%	10%	5%	1-5
TownMod	16-20	75%	5%	15%	5%	1-5
Unicollege	16-20	80%	5%	10%	5%	1-5

Notes: Exec = executive, Non-exec = non-executive; percentages may not add to 100% due to rounding

I believe that the data set out above demonstrate that the case study institutions reflect aspects of the diversity of the English higher education sector. Further summary details of each institution, including an indication of the reasons for the names allocated to each of them (CityMod, Civic, etc), are given in Appendix 1.

4.3 Research methods

4.3.1 Collection of data from interviews

It was intended that a significant amount of data would be gathered by means of direct interaction with governing body members. It also seemed appropriate, and indeed was arguably necessary, to collect data not just from governing body members but also from members of university staff that engage regularly with governing bodies. This category includes university

secretaries and other members of institutions' senior management teams, many of whom are regular or routine attendees at governing body meetings, but are not members. I concluded that the most effective way of obtaining data was to conduct individual semi-structured interviews. Individual interviews have the potential advantage, over, say, group discussions or focus groups, of eliciting an individual's views in a context where they cannot be directly influenced by the views of other people. This is not to say that even in a one to one interview people might not sometimes be influenced by a sense of the views of their colleagues, or that there may not be value in the insights that could arise in group discussions. Nonetheless, on balance I decided it was preferable to use interviews.

The decision to take a semi-structured approach to the interview process was based on the premise that such an approach allows for 'flexibility balanced by structure' (Gillham, 2005, 70), whereby a range of questions, or specific topics of enquiry, can be addressed with all interviewees. At the same time, there is flexibility, in that there is no requirement or expectation that all interviewees need to be asked the same questions, in the same order. Instead, by allowing interviews to develop more organically, interviewees are able to present their observations and opinions in a manner and sequence that is to a degree of their own choosing. Often this leads in practice to interviewees addressing topics without the interviewer having to ask specific questions.

In undertaking semi-structured or open-ended interviews, it is usually accepted that, as Gillham puts it, 'a *subjective* construction is being made' (Gillham, 2005, 6, his emphasis). Gillham also writes about the importance of detachment on the part of the interviewer, and the need to be aware of any preconceptions that the researcher may hold about their research. A focus on the idea of detachment means for some researchers primarily operating using a realist approach to interview data (Silverman, 2005, 154-157). However, the idea of setting aside one's preconceptions as a researcher also arises widely in social research in the form of 'bracketing'. Bracketing involves suspending cultural values and expectations (Berger and Keller, 1981, 52), so that the researcher does not frame research results in terms of his or her own conceptions but judges research participants' responses on their own terms. In addition to bracketing, the importance of empathising with research participants, and being understanding of their views even when not intrinsically minded to be in agreement with them, is also often seen as essential (Ashworth and Lucas, 2000, 299).

Rapley (2001) discusses what he sees as the lack of sufficient recognition of the co-construction of interview accounts and stresses, *inter alia*, the importance of 'an awareness and sensitivity to *how* interviewees and interviewers collaboratively produce the talk' (Rapley, 2001, 317, his emphasis). Alvesson (2003) offers a further route to approaching interview data, involving metaphor and reflexivity. He suggests that interviews should be seen as more than either 'a researcher-controlled tool or as a human encounter for coproduction of knowledge', and that instead one should be

'critically interpreting specific interview situations and accounts' (Alvesson, 2003, 31).

Notwithstanding Rapley's or Alvesson's criticisms, my own approach to interviews and interview data remains broadly that they should be seen primarily in terms of Gillham's subjective constructions, or, despite Alvesson's dislike of the idea, as encounters for the coproduction of knowledge, at the same time recognising the criticisms that can be levelled at this approach, and the need to be aware of, and to reflect upon, the complexities of interview situations. In relation to the latter point, for example, the issue of interviewees' truthfulness, or otherwise, needs to be considered, and the extent to which, even if people are not being deliberately deceitful, the account they provide will inevitably be subjective and may be subject to shared norms and expectations, such as those predicted by role theory (see section 3.5).

#### 4.3.2 *Elite interviewing*

A further reason for adopting individual semi-structured interviews as a data collection method was the fact that most of those interviewed were likely to fall into the category of elite interviewees (Gillham, 2005, 54-59)). Elite interviewees are generally people in positions of power, either within a specific organisational context, or in a more general sense. The external members of university governing bodies can reasonably be regarded as having elite status simply by virtue of their governing body membership, but they will also often hold, or have held, senior positions in other organisations, and some aspect of

their elite status often flows from that background. The elite status of an interviewee can also be associated with their expertise, and external governing body members often have specific expertise or experience (for example, in finance and accounting) that has been at least part of the basis for their being asked to join the governing body.

Given their status, elite interviewees have the potential to be difficult to deal with. They may know more about the topic under discussion than the researcher (Gillham, 2005, 54), cannot usually be required to participate in interviews (not that unwilling interviewees are desirable in any scenario), and will need to be convinced of the potential value of the research. At a pragmatic, operational level, it may be easier to arrange to interview such people individually, rather than as part of a group. In addition, for some such people it might also be desirable for the interviewer to be seen to be focussing specifically on their individual views, as this may help stress the specialness of those views and increase the likelihood that they will participate fully in the interview process.

Finally, elite interviewees are more likely to engage with the research if they recognise and can relate to the knowledge and expertise of the researcher. It is therefore important for the researcher, as interviewer, to appear credible. In the context of this study, my former role as a university secretary meant that most of the interviewees readily accepted that I was likely to be knowledgeable about the issues under discussion, and able to engage with those issues in serious and meaningful ways, thereby not

wasting their time. In some cases interviewees asked me to expand on my background and, in particular, on my reasons for undertaking this research. Where such discussions occurred, they appeared to provide reassurance to the interviewees about my knowledge of higher education and its governance, and the seriousness of my intent.

#### *4.3.3 Other data collection methods*

As touched on above (sub-section 4.2.2), I considered using other data collection methods in addition to conducting semi-structured interviews, such as the use of a questionnaire, study of documentation, and the observation of board meetings. I was deterred from undertaking a questionnaire survey partly because many higher education governing body members had recently participated in a survey on governance conducted by the Office of Public Management on behalf of the LFHE and CUC (see sub-section 3.9.5). I felt that another questionnaire was unlikely to be welcomed. In addition, the time inevitably needed to gain ethical approval for this study meant that any questionnaire would have had to be issued in parallel with the undertaking of interviews, whereas I would have preferred the interviews to be informed at least in part by preliminary consideration of any questionnaire data. Bearing in mind these points, and recognising that data gathered through a questionnaire would not address my research aims as directly as interview data, I decided not to use one.

I did, however, use the other methods referred to above, albeit primarily as supplementary methods. In the case of documentary evidence, agendas



and minutes of governing body meetings, as well as some additional material, were available for most institutions. These documents provided information about, for example, the topics addressed at governing body meetings, the length and complexity of agendas, and the apparent extent of routine business. This kind of data cannot throw direct light on governing body members' perceptions, but there is nonetheless the possibility of using it to help set some of the comments made by governing body members in context.

Turning to the observation of governing body meetings, I initially hoped to arrange to observe meetings of several governing bodies. However, although all the case study institutions were very supportive of the study, at only one institution did the chair and Vice-Chancellor feel able to agree to observation being undertaken. I had a closer and more long-standing personal relationship with the university secretary at that institution than with some of the equivalent post-holders in the other case study institutions, and this probably facilitated the agreement to my observing meetings. Given, however, that in the end only two governing body meetings were observed, I felt that the data thus gathered were, like the data from reviewing documentation, best used principally to supplement the much larger body of data obtained from interviews.

Finally, I decided also to seek information about governing body members and attendees' views of selected corporate governance theories. I did not, however, wish to ask specific questions about governance theory during the interviews. This was because I felt that raising the subject directly

was likely to detract from the pursuit of my primary research aims, concerning peoples' perceptions of their roles, and issues around effectiveness. Instead, I chose to present interviewees, at the end of each interview, with brief summaries of characteristics associated with four theoretical perspectives on governance – the agency, stewardship, stakeholder and managerial hegemony positions (see chapter 3). These four perspectives were chosen as being amongst the most prominent theoretical positions discussed in the governance literature. They were presented in the form of a two by two matrix on a single sheet of A4 paper (see figure 4.1, below). I had found that a similar approach provided interesting data in a previous study about the organisational culture of academic departments (Buck, 2008).

The summary descriptions of each perspective on governance were collated and distilled from material in a number of standard introductory surveys of corporate governance, particularly those of Clarke (2004, 2007). The matrix was not presented to interviewees until the end of the interview, and then only after they had confirmed there were no further remarks they wished to make. Interviewees were invited to comment on whether they thought any of the theoretical positions, either alone or in combination, might be applicable to their own institution. It was also made clear that if they did not feel any of the positions described was relevant, that was an equally valid response.

<p><b>AGENCY</b></p> <p>Assumes primacy of self-interest in behaviour of managers.</p> <p>Board role to restrain/counteract perceived tendency of managers to act in their own interests, rather than in the wider interests of the organisation and its owners/stakeholders.</p>	<p><b>STEWARDSHIP</b></p> <p>Assumes no inherent conflict of interest between managers and owners/stakeholders.</p> <p>Board role to ensure maintenance of institution and its assets and to promote co-ordinated approach to operation of the enterprise.</p>
<p><b>MANAGERIAL HEGEMONY</b></p> <p>Assumes power of board is relatively limited in comparison to power of management and that the influence of the board is therefore also limited, and is less than that of management.</p> <p>Board fulfils primarily formal and regulatory functions. Relationship between owners/stakeholders and managers not often significantly mediated or influenced by board as a collective entity.</p>	<p><b>STAKEHOLDER</b></p> <p>Assumes existence of multiple stakeholders with legitimate and inter-linking influence on the institution, via multilateral agreements or interactions.</p> <p>Role of board to recognise and mediate relations between stakeholders and the extent of the influence of different stakeholders on the overall management and control of the organisation.</p>

Figure 4.1: Matrix of theoretical perspectives on governance

#### 4.3.4 Access to, and the selection of, interviewees

As already indicated, each case study institution was approached via the university secretary or equivalent post-holder. Thereafter, in most cases contact with potential interviewees was handled by that person's office. This was understandable on privacy and data protection grounds. It also meant that the practical arrangements for most of the interviews were made by staff of the institution. A disadvantage of this arrangement was that I had less

direct control over the selection of individual interviewees. Subsequently, however, I had no sense that any of the people I met had been put forward by their institutions because they were likely to uncritically support some kind of official position; they seemed, instead, to be independent-minded individuals who felt able to express clear and varied opinions about the issues we discussed. I also had no impression that any institutions had briefed their governing body members in advance about any of the topics I had indicated I wished to discuss.

Two institutions adopted a different approach, in that they chose to tell their governing body members about my research and to invite any who were interested in assisting with it to contact me directly. This worked reasonably well, but led to my interviewing only five people from each of these two institutions. There was one other case where only a small number of people was interviewed (four, at UniCollege), but this was because they were from one of the last two institutions added to the set of case studies, and they preferred to participate on a small scale.

Given the overall research aims, and the nature of the methodology chosen, there was no imperative that the number and nature of the people interviewed in each case study institution should be the same. However, I felt that it was important that examples of each of a number of standard types of governing body member, and attendee, should be included. I therefore requested that as far as possible the interviewees at each institution should include both external and internal governing body members, with preferably at

least two or three in the former category, and in the latter category at least one executive member (preferably the Vice-Chancellor), one non-executive staff member and a student. In the case of the external members, I asked to interview the chair, if possible, and that amongst the other externals there should be one or more people who chaired sub-committees. With regard to attendees, I sought the inclusion in the sample of one member of the institution's executive group (or equivalent), such as a Deputy Vice-Chancellor or Pro-Vice-Chancellor, and the university secretary. The intention was to interview a broad cross-section of types of governing body members and attendees. Although my preferred parameters were not met at every institution, overall they were achieved, as Table 4.3 below shows.

Table 4.3: Numbers and categories of interviewees

Institution	Total number interviewed	Including: Externals	Internals, of which:			
			Exec	Non-exec	Student	Attendee
CityMod	8	2, incl chair	1 (VC)	1	1	3 (incl Sec)
Civic	10	5, incl chair	0	2	2	1
ExCAT	8	2, incl chair	2 (incl VC)	1	1	2 (incl Sec)
Greenfield	8	4, incl chair	2 (incl VC)	1	1	0
NewMill	5	5, incl chair	0	0	0	0
TownMod	5	3	1 (VC)	1	0	0
UniCollege	4	2, incl chair	0	1	0	1 (Sec)
Overall	48	23	6	7	5	7

Notes: Exec = executive, Non-exec = non-executive; incl = including; VC = Vice-Chancellor; Sec = governing body secretary

#### 4.3.5 *The interviewing process in practice*

The first interviews took place in late November 2010. Thereafter they continued until May 2011, after which there was a hiatus while the last two institutions were identified. The final interviews were then completed between October and December 2011. A copy of the interview protocol is attached as Appendix 2. As predicted above, in many interviews it did not prove necessary to raise directly all the topics listed in the protocol, because they were raised by the interviewees themselves. Different supplementary questions therefore tended to be asked, in different ways, in each interview. It proved possible, in most instances, to address all the issues on the protocol during each interview. This was because the time allowed was normally up to an hour. This time allocation proved satisfactory, with most interviews lasting between 50 minutes and an hour. However, in the case of one institution (UniCollege) a series of four interviews were scheduled by the institution sequentially at 45 minute intervals without breaks. While the last of these interviews ran naturally to a by then normal time of just under an hour, the other three had to be curtailed.

All interviewees were assured of confidentiality, and of anonymity both for them and their institution. They were given a note providing information about the research, and were asked to sign consent forms, one copy of which they retained (see Appendix 3; for ethical issues see section 4.6).

Having accepted (see sub-section 4.3.1) that the interviews were subjective constructions, and encounters for the coproduction of knowledge, I

was aware of the importance of establishing a rapport with the interviewees, and of creating a climate in which they would feel able to express their views frankly. Most of the interviews could subsequently be fairly characterised as friendly discussions under confidential conditions between professionals with a shared interest in governance. The primary expressions of opinion about the subjects under discussion were in all cases those of the interviewees, but from time to time interviewees would seek my comments on their views. Bearing in mind the need to bracket my own pre-conceptions, whilst at the same time being careful not to be discourteous by failing to respond to interviewees' queries, as far as possible I restricted myself to short responses; at times it was sufficient to acknowledge the humour or irony inherent in the views expressed by an interviewee. That each interview was in practice a conversation between two participants is illustrated by the fact that on average around 15% of each recording involved me talking (in a very few instances this figure fell below 10% or rose above 20%).

In practice, almost all the interviewees appeared able relatively easily to relax. They also gave the impression of expressing their views freely and fluently, but with consideration. As the interviewer, I found all the interviews interesting and enjoyable. The interviewees gave every indication that they also found the process interesting and enjoyable, and a number of people explicitly said that this had been the case; some people also commented that they had found it useful to have an opportunity explicitly to reflect on their experience of governance. In no case did I form the impression that any interviewee was distorting their account, or deliberately presenting their

perceptions in such a way as to promote a particular agenda about higher education governance. Having said this, it was occasionally possible to detect differences of approach to the manner in which different types of interviewee chose to present their views. This was most noticeable in the case of the Vice-Chancellors and governing body chairs, with some examples of each of these types of interviewee being prone to use more rhetorical flourishes than other interviewees to demonstrate the vigour of the roles they played.

One interviewee was known to me as a former colleague (albeit from over a decade before the research was undertaken). The only difference that I was aware of this introducing into the interview process was that he accepted my general understanding of the circumstances in which he was operating even more quickly than did most of the other interviewees (that is, the difference was a matter of degree, and not fundamental to the nature of the interaction).

Interviewees were given a choice as to where they wanted to be interviewed. Most interviews were then conducted at the relevant institution, although meetings with six external members were held at their workplaces, two further externals preferred to meet at the Open University's London offices, and one external chose to see me at his home. All the interviews were recorded using a digital recorder. Happily all the recordings proved to be of good quality with very few inaudible words (under 1% of the total). Where something was inaudible, it was usually due to me speaking too quietly. In only one instance did outside noise interfere, when an interview



was conducted close to a room where tables were being laid, but even this only led to very occasional inaudibility over a relatively short time period.

Transcripts were produced from the recordings. Around half of these were prepared entirely by me. First drafts of the remainder were made by an external transcription agency, but I then checked all of these in detail against the original recordings, and corrected any errors or omissions. A copy of each transcript was sent to the relevant interviewee, to give them an opportunity to correct anything they saw as factual errors and to provide an opportunity for them to comment or raise any concerns. The interviewees were told that if they did not respond they would be regarded as being content with the transcript as an accurate record of the interview.

Only a small number of interviewees chose to respond. Two internal governing body members (one executive and one non-executive) did so by e-mail. Both confirmed that they were happy with the transcripts, and then kindly drew attention to a small number of typographical errors. There were three further respondents, all external members. Two of them (a chair and a deputy chair) were content that the transcripts accurately reflected their interviews, but asked for some references to their current or former roles outwith their institutions to be made less explicit. Assurances had already been given that details of this kind would not be quoted in the thesis, to avoid increasing the chance that individuals might be identified (see sub-section 4.6.2 below). However, in response to these specific concerns, changes of the kind each person sought were made to the transcripts – for example, in

one case reference to the interviewee's role with another specific type of public sector governing body was amended to refer simply to their involvement with another public sector body, the type not being specified.

The third external to respond fell into a different category, as he got in touch by telephone to express his concern, in very strong terms, that the transcript had not been sent to him confidentially. He thought therefore that its contents would have been seen by university staff and was angry, both because he felt his confidence had been betrayed and that the frank nature of some of his comments meant that since they 'had been seen' by his university his reputation would have been compromised.

This external's transcript had, in fact, as in all cases, been sent to him on a private and confidential basis, but this had not at first been apparent to him. The problem arose because, where interviewees had been approached on my behalf by staff of the institution, I had sent copies of the transcripts to them via the institution (through the office of the university secretary). Indeed, had I not proceeded in this way, institutions would have had to provide direct contact details for their external governing body members, when their reluctance to release such information had been the reason for institutional staff having organised the interviews in the first place. On the basis of my own experience as a former university secretary, and my judgement as to the professionalism of the offices I was dealing with, I felt sure that transcripts sent under separate cover in sealed envelopes would be passed on to the interviewees unopened. In sending out the transcripts, though, I made two

errors, at least as viewed by the external member who complained. The first was that I used ordinary white or brown envelopes, and not envelopes that gave any outward indication that they had originated in the Open University. The second error was that I did not take steps to help demonstrate that an envelope had been forwarded unopened, by, for example, signing across the flap of the envelope and sealing the signature under clear sticky tape. In the case of the interviewee who complained, he received what I am confident was my original sealed envelope. However, because it did not look intrinsically official, he assumed that the transcript and explanatory letter from me that it contained had been put in it by staff at his university, and that they had therefore seen and read the transcript.

After a lengthy conversation, and having described the nature of the envelope he should have received, and its contents, I was able to persuade the external in question that the envelope he had received was the one I had personally sealed, and that his institution had therefore not opened it. In a subsequent e-mail, where he offered some minor comments and made one request for some wording to be amended, he also apologised for the strength of his initial reaction. However, he clearly still had some sensitivity about the matter, and I decided that it would be best only to use his interview as background material. I have therefore not quoted directly from it in this thesis. I also decided that in the light of this incident I should adopt the practice of signing across the flaps of the envelopes used when sending transcripts and sealing the signature under sticky tape. I applied this procedure to the

remaining twenty per cent or so of the transcripts that had not yet been sent out when this incident occurred.

#### **4.4 The scoping exercise**

##### **4.4.1 *Consideration of a pilot study***

At the start of my research, I considered the possibility of interviewing a small number of governing body members as part of an explicit pilot study. I concluded, however, that this would be difficult due to time constraints, and that it was probably not necessary because the main data collection process would inevitably be iterative. In addition, although I expected that my capacity to undertake interviews effectively would improve over time, I did not believe that it was necessary for me to undertake a pilot study to test my basic ability to do so, as I had carried out such interviews on two previous occasions. One of these had been some time ago, when I researched managerialism in universities for my MBA (Buck, 1991), but the second occasion had been when I was researching organisational culture in the University of York for the MRes (Buck, 2008) I undertook immediately before embarking on the work for this thesis.

##### **4.4.2 *Exploring views as to current governance issues***

Instead of a pilot study, I decided that there would be merit in undertaking a scoping exercise, to explore the views about current issues of a small number of people actively concerned with higher education governance.

This enabled me to compare my own views with those of other university secretaries and provided a mechanism for seeking the perspectives on current governance issues of people associated with three key organisations, the AHUA, CUC and LFHE. I therefore arranged to meet with a small number of university secretaries, who amongst them had appropriate links with the AHUA and CUC, and with a representative of the LFHE. These meetings took place between May and September 2009. They were not recorded, although written notes were made during each interview and a more formal summary record drawn up shortly afterwards. Each interview explored the views of the individuals involved as to the issues raised by a preliminary version of my research questions, and also ensured that key organisations in higher education governance were informally made aware of my plans.

The scoping exercise helped refine the overall research aims for the project, and informed the more detailed research questions. The individuals interviewed were all supportive of the research, and felt that it was interesting and likely to be worthwhile. The views and opinions expressed during the scoping exercise reinforced some aspects of my own views as to current governance issues, whilst at the same time helping to broaden my perspective. None of the views expressed by people interviewed during the scoping exercise have been used as data in the research project proper, and none of those people was subsequently interviewed during the main part of the study, although two of them were from institutions that became case study institutions.

## 4.5 Data analysis

### 4.5.1 *Potential methods for analysing interview data*

A variety of approaches can be taken to the analysis of qualitative data, and to interview data in particular. These range from content analysis, which in its classic form has its roots in quantitative methodology, through conversation analysis, discourse analysis and narrative analysis, to more inductive approaches, such as grounded theory. General discussions of various methods are offered by authors such as Seale (2004), Silverman (2005, 149-244), Bryman and Bell (2007, 579-621) or Easterby-Smith *et al* (2002, 117-129). Discussions with a focus on case studies include those by Gillham (2000, 71-75, 93-100), Stake (1995, 71-90) and Yin (2009, 127-16), or in the specific context of research interviewing that of Gillham (2005, 134-147).

Implicit, but only occasionally explicit (see, for example, Gillham, 2005, 130), in many methods is the identification of common themes and concepts in the data under analysis. Perhaps the implicit nature of much of the use of thematic analysis partly explains why it has been 'poorly demarcated and rarely acknowledged', despite being widely used (Braun and Clarke, 2006, 77). Braun and Clarke suggest, however, that thematic analysis can and should be regarded as a method in its own right that it

can be applied across a range of theoretical and epistemological approaches, ... which can potentially provide a rich and detailed, yet complex, account of data. (Braun and Clarke, 2006, 78, their emphasis)

Braun and Clarke's argument is, in my view, persuasive, and I concluded that bearing in mind the overall aims of this study (involving the exploration of the perceptions of governing body members about their roles and the effectiveness of their governing bodies) it would be appropriate to seek to identify themes and concepts in the transcribed interview data, and therefore to undertake a thematic analysis along the lines proposed by Braun and Clarke. This involves a multi-phase process for undertaking the analysis, and consideration of a 'checklist of criteria for good thematic analysis' (Braun and Clarke, 2006, 87-93, 95-96, with helpful summaries in their tables 1 and 2). Although I have not followed their guidance rigidly, I have adopted both the spirit and the general nature of their approach in undertaking my own analysis.

#### 4.5.2 *Data transcription*

Transcription of the interview data (see sub-section 4.3.5), was the first practical step in approaching the data analysis. In addition to being a necessary preliminary to the analysis proper, the transcription and review process, involving the reading, checking and re-reading of the transcribed data, served the purpose of enabling me to familiarise myself with the interview data, in line with the first phase of Braun and Clarke's process for undertaking thematic analysis.

In transcribing interview data, there are a number of approaches to the representation of speech. Some of these involve the use of elaborate formal systems to record not just the words spoken in an interview, sometimes

represented phonetically, but the speakers' 'turns', and features of speech such as pauses and their length, the degree of emphasis placed on words, and the intonation used by the speaker (see, for example, Potter, 1996, 136-138, or Silverman, 2005, 163-168). However, given the form of analysis intended here, i.e. thematic analysis, the transcripts produced for this study did not attempt to represent the participants' speech phonetically, or to record word stress, unless it was very marked, or intonation. In a similar vein, non-verbal noises and hesitations were noted only by the use of generic terms such as 'erm', 'er' or 'mmm-hmm'. Where respondents used obviously abbreviated or colloquial versions of words, these were transcribed as spoken – for example, many interviewees routinely used 'cos', for 'because'. Pauses for thought, and other gaps in speech were also noted, but only categorised into broadly shorter – '...' – or longer '... ...' silences. Remarks, usually *sotto voce*, made by one speaker while the other was talking were noted. Most commonly these involved me, as interviewer, making a short remark, or noise, by way of an acknowledgment that I was listening to the interviewee and an encouragement to them to carry on, as for example in this excerpt from remarks by an interviewee at Civic university:

Civic 4: Erm, it seemed to me that there was a way to look at the way <name of university> was being operated (DB: mmm-hmm). Erm, in a non-executive role you can actually do things (DB: yeah) and you can make yourself very useful to people, if you're prepared to put it in, put, I, I was happy to put some time into it.

This extract also illustrates the use of <text> for substitutions of things such as peoples' names or, as in this case, the name of the institution, to preserve anonymity.



In addition to being specifically double-checked against the digital recordings, the transcripts were all, as indicated above, also re-read in full or in part on more than one subsequent occasion both at the start of the analysis process, and as the analysis proceeded. Where there appeared to be a *prima facie* lack of sense in a transcript, relevant sections of the original recordings were reviewed again. Some of these checks led to changes to the transcripts, but the majority did not, which acts as a reminder that people do not always speak sense.

#### 4.5.3 *Identifying initial themes, coding data and defining final themes*

Braun and Clarke recommend the identification of initial codes for 'interesting features of the data ... across the entire data set' and then 'collating codes into potential themes' (Braun and Clarke, 2006, 87). My own approach to coding and the identifications of themes was similar, although I chose firstly to identify broad themes, through a review of the transcripts from the first five case study institutions visited (in due course a similar exercise was undertaken for the final two case study institutions, but less formally, given that by then a number of themes and a basis for more detailed coding had largely been established). In reviewing the transcripts, those from interviews at Greenfield University, which was the third institution visited, were considered first. This was on the basis that by the time I undertook interviews at Greenfield I had completed over a dozen interviews elsewhere (at Civic and TownMod universities) and I felt that my ability to practice my craft as an interviewer was more secure and less variable than it had been initially. I then proceeded to analyse transcripts of interviews from later in the overall

sequence (from ExCAT and CityMod universities) before turning to the transcripts from interviews completed earlier, with the exception of the transcripts of interviews at the last two institutions visited, which were analysed last.

In identifying initial broad themes, my decisions were informed by my reviews of the literature, both in relation to the normative expectations set out in governance codes of practice (see sub-sections 3.2.3. and 3.2.5) and with regard to the governing body roles predicted or privileged by different governance theories, or elucidated in previous studies of governance in practice (see sections 3.3 and 3.7 to 3.9). I did not, however, do this by formally comparing a list or lists of potential roles derived from the literature with the transcripts, preferring instead to endeavour to identify themes emerging from the data iteratively and without prescription. The themes thus identified were those aspects of the data that in my judgement as the researcher, and bearing in mind the research aims and questions for the study, captured 'something important about the data', as Braun and Clarke (2006, 82) put it. Through this process, a number of preliminary themes were identified against which the transcript data were then coded more rigorously and in greater detail. The process of coding and identifying themes in the transcript data as a whole was iterative.

Notwithstanding the identification of initial broad themes, such as 'challenging the executive' or 'playing a role in institutional strategy' (see Chapter 5), I found it helpful to code some of the transcribed material under

very generic headings - for example, the code 'Role of GB' was used for any reference to the overall role or purpose of the governing body. Other codes were, however, more specific – for example, 'GB size' related to comments specifically about the size of the governing body in relation to its role(s) or effectiveness. In addition, despite having identified some potential themes on a preliminary basis, I was concerned to ensure that the overall approach to coding should be open. Most codes were therefore created and applied as each transcript was worked through. After each set of transcripts was completed (where a set came from a single institution), the coding of the transcripts completed earlier in each set was reviewed in the light of any new codes used initially for the transcripts coded later in each set. Coding was facilitated by the use of the NVivo9 software package (Bazeley, 2007). The software was not, though, used to attempt to develop or apply any formal structures to the codes as they were developed.

In view of the open approach to coding adopted, when the initial themes were re-considered, and potential additional themes identified, on the basis of the review and collation of individual codes, the themes as a whole varied greatly in their scope and breadth, and some were clearly inter-related. For example, some data were coded as identifying a theme around governing body members' perceptions of their individual roles, as opposed to the overall roles of the governing body as a whole, but there was, perhaps inevitably, considerable overlap between the two sets of material thus coded. Once the data from all the case study institutions had been coded, primary over-arching themes relating to governing body roles and governing body effectiveness

were reviewed and subsidiary themes identified where appropriate. These themes and sub-themes, and the material drawn from the transcripts classified in this way, form the basis for the discussion and analysis set out in chapters 5 to 8. Overall, the methods for identifying and defining themes was in accordance with the processes proposed by Braun and Clarke, albeit with a less linear and more iterative approach than a strict reading of their recommendations perhaps implies.

#### 4.5.4 *The balance between the quintain and the individual cases*

Having completed the coding of the transcribed interview data, and the identification of themes therein, a further question to consider in the presenting the data and discussing and interpreting the findings was the balance between the quintain (as defined by Stake, 2006; see sub-section 4.2.3 above) and the individual cases. Consideration of the principal themes in the light of the primary and secondary research questions on a case by case (i.e. an institution by institution) basis showed that while there were some interesting differences across the institutions, there were also strong similarities (see chapter 5). Given that the primary aims of the study were to explore governing body members' perceptions of the roles and effectiveness of their governing bodies at an overall level, I concluded that it was appropriate for the major part of the discussion and interpretation of the data to focus at the level of the quintain, rather than on the individual cases and the differences between them, albeit without ignoring any interesting findings in the latter regard that could be discerned.

#### 4.5.5 *Analysis of other types of data*

I noted above (sub-section 4.3.3) that I obtained documentary evidence in the form of agendas and minutes of meetings from some institutions, and was able to observe meetings of the governing body at one institution (Civic university). These supplementary data were analysed initially on their own terms. That is, the documentary evidence was reviewed and a record made of the subjects discussed by the governing body, the ways in which agendas and minutes were structured, the number of separate documents supplied to governing body members, and the quantity of paper this involved, and so on. The data were then considered in the light of themes or sub-themes arising in the interview data about, for example, governing body members' perceptions of various practical aspects of the operation of the governing body, including the appropriateness or otherwise of the quantity of material to be dealt with at each meeting. It was also possible to use this data to show that time was spent engaging in some activities – such as financial monitoring – that featured little in governing body members' discussions of their roles.

The limited observational data were analysed primarily in terms of the length and number of contributions made by individual governors and attendees. This gave, for example, an indication of the extent to which the chair or the Vice-Chancellor dominated proceedings orally. The degree to which material was reported/presented by executives was also noted, as was the nature and variety of interventions by governing body members, including external members, internal but non-executive members, and students. Other factors noted and considered in the light of the views expressed by

interviewees included aspects of apparent behaviour, such as the degree to which people appeared to be engaged by the meeting (in terms of body language, occurrence of side discussions, etc).

Taken as a whole, analysis of the documentary and observational data allowed for a certain degree of triangulation in some areas reflected in the interview data, as well as in certain instances casting light on, and permitting explanations to be adduced, in relation to topics about which interviewees were relatively silent. An overview of these points will be presented in chapter 5 and points of detail discussed where relevant in subsequent chapters.

## **4.6 Ethical considerations**

### **4.6.1 *Formal approval processes and potential ethical issues***

The Open University has clear guidelines and requirements with regard to the ethical approval of all research projects. These were followed, and formal approval was obtained from the university's Human Participants and Materials Ethics Committee (now the Human Research Ethics Committee) before any case study institutions were approached. A copy of the letter confirming the approval of the project is attached as Appendix 4. The ethical guidelines of the Open University, the Economic and Social Research Council and the British Educational Research Association were reviewed, and borne in mind both when formal approval to undertake the research was sought, and subsequently when any issues arose during the research.

In seeking ethical approval no significant risks were seen to exist either for the participants in the study or the researcher. This was primarily because it was difficult to conceive of any physical risks that might arise, and the nature of the research was such that no groups of people who would ordinarily be classified as vulnerable were involved. It was recognised that there was a potential risk of adverse consequences for an individual interviewee's relationships with his/her institution or his/her peers, if someone chose to express negative, uncomplimentary or controversial views in an interview and those views then became public with attribution to the individual concerned. However, all data were treated as confidential and were processed and analysed on an anonymised basis, both as to the names of individual participants and their institutions, so that the likelihood of anyone's views becoming public and being attributable were very small.

With regard to anonymising data, as already noted above (section 4.3.5), it was explained that the research would be conducted on this basis when institutions were first approached, and therefore stressed to, and understood by, those approving participation. Where potential interviewees were approached on my behalf by their own institution, a text was supplied to be given to governing body members and attendees, and I made clear that I did not wish any institution to seek people to participate on anything other than an entirely voluntary basis. Where potential interviewees were approached directly by the researcher, similar information was supplied (see Appendix 5).

It was recognised that an absolute guarantee of anonymity could not be given with regard to the identity of the institutions involved, as it was possible to envisage circumstances in which an institution might be identifiable from some of its characteristics, despite not being named. Great care has, however, been exercised in presenting the background material about each case study institution so as to limit the likelihood that any individual institution might be identifiable. Care has also been taken with regard to the material quoted from transcripts to avoid reference to anything likely to identify an institution or an individual. It is hoped that in this way the effective anonymity of the participants in the study has been assured. Individuals were advised that they had the right at any time to withdraw from the study any or all of the data they had supplied. Consent forms were signed by all those who agreed to participate in the study.

As some of the recordings of interviews were transcribed by an external agency, it is possible that the agency, or its staff, may have identified some of the case study institutions, and that they then might have attempted to identify individual interviewees. This was because, although neither institutions nor interviewees were named in any written material sent to the transcription agency, interviewees sometimes referred to their institutions by name in the recordings. Interviewees did not tend to refer to themselves by name, but they occasionally used the names of other people. Although I recognise that there cannot be complete certainty that such details have not been misused by the transcription agency, the work was undertaken by the agency on the basis that it was strictly confidential. The transcription agency,



which was recommended to me as reliable and trustworthy by another researcher, was clearly used to working on a confidential basis and to regard the preserving of confidentiality as central to its activities. I have had assurances from the transcription agency that they have not retained any data, and there is no indication that there has been any breach of confidentiality or anonymity by the agency.

Data protection issues have also been borne in mind, and the Open University's requirements met, with all material in hard copy held securely in the researcher's work area at the Open University, or at his home (where no-one else had access to it). Copies of electronic files, including the digital recordings and transcripts, and drafts of descriptive and analytical material prepared during the writing of this thesis, were held on a password-protected file server at the Open University, or on a memory stick and laptop used only by the researcher.

#### 4.6.2 *Ethical issues arising during the research*

Two particular issues arose during the research that had ethical implications. The first issue, as noted in section 4.3.5, concerned the inclusion in a small number of transcripts of details that interviewees indicated they would rather had not been transcribed. The transcripts were not intended to be read by anyone other than me (apart from the staff of the transcription agency when they were creating some of them). No-one else was regarded as eligible to read the transcripts other than my supervisors, and in the event I only shared part of one transcript with them. This was in order to enable them to make a *prima facie* judgement as to whether or not I

was gathering appropriate data, and on the basis that they would respect the confidentiality of the material. My supervisors were also necessarily aware, in confidence, of the identity of the case study institutions.

The fact that some details – for example, of interviewees' roles outwith their institutions, or in the case of university staff, for instance, information about their previous careers – could lead to individuals being identified if the transcripts were illicitly obtained by a third party was recognised. To guard against this, references to other organisations were routinely anonymised. In a few cases, some detail was left in a transcript to enable the context of an interviewee's remarks to be properly understood. In these instances, I added a note or comment to the transcript stating that the detail had been retained to enable the context of the statement to be understood, but stressing that the detail would not be used in any quotation from the transcript. This was meant both as an *aide-memoire* for me, and as a point of reassurance to interviewees when they read the transcripts. Although, as noted above, two interviewees were not sufficiently reassured by the annotations and asked for some factual details to be deleted, or amended, I believe that this approach probably did reassure some other interviewees.

As also discussed above (sub-section 4.3.5), one other person made representations about a transcript due to his initial fear that its confidentiality had not been maintained. His concern in this regard was eventually assuaged, but I nonetheless decided not to use any quotations from that

transcript or to otherwise refer explicitly to that interviewee's views in this thesis.

In addition to the two particular issues dealt with above, there could potentially be ethical issues associated with the use of material from the transcripts and the extent to which that material appropriately represents the views of the interviewees. Having seen the transcripts and had an opportunity to comment on them, the interviewees have to some extent validated their content as a whole, either implicitly or explicitly, but they have not, of course, had any role in the selection of excerpts from transcripts for use in this thesis. Ultimately, it falls to the researcher to use material obtained from transcripts in a reasonable and consistent manner and not in ways that might give a misleading impression about the views of any particular interviewee. Any judgement of the extent to which I have been successful in this regard will depend upon the coherence and persuasiveness of the material presented in the succeeding chapters.

## **4.7 Issues of validity and reliability**

### **4.7.1 *Validity and reliability in qualitative research***

A final consideration in this discussion of research methodology and related issues is the question of validity and reliability. Yin (2009, 40-45) considers construct, internal and external validity, and reliability, in the context of case study research. However, these concepts have been the subject of

significant debate in relation to qualitative studies – see, for example, the helpful summary by Bryman and Bell (2007, 162-168, 411-428). Even the use of the terms validity and reliability has been questioned in qualitative research, on the grounds that concerns with validity and reliability can only be applicable when dealing with quantitative research based on a positivist approach (see, for example, Silverman, 2005, 223-224; Smith, 1996).

In this regard, the work of Hammersley (1990, 1992) is useful. He discusses approaches to validity and reliability, drawn primarily from quantitative research, including the concepts of internal and external validity, and reliability and finds them unhelpful or insufficient (Hammersley, 1990, 54-57). He proposes instead the assessment of the value of research on the basis of validity and relevance. In relation to the former, he states:

By validity, I mean truth; interpreted as the extent to which an account accurately represents the social phenomena to which it refers. (Hammersley, 1990, 57)

He then introduces the concepts of plausibility and credibility as ways of judging validity. While suggesting that 'plausibility and credibility forms a relatively weak basis for judging claims', and 'provides no guarantee that ... judgements will be correct', Hammersley argues that it is nonetheless the only basis on which it is appropriate to make such judgements (Hammersley, 1990, 61-62).

With regard to relevance, Hammersley is concerned with relevance 'to issues of public concern'. This does not imply that all research needs to contribute narrowly and directly to a specific aspect of practice. It does, however, suggest that research should address issues that can be conceived

in some sense as broadly relevant to practice, and of interest to 'a wide variety of practitioner audiences'. As with his discussion of validity, Hammersely concludes the judgements of plausibility and credibility are critical in assessing relevance (Hammersley, 1990, 64-70).

An alternative expression of the meaning of validity and reliability from the 'relativist' viewpoint is offered by Easterby-Smith *et al* (2002, 53-54), who suggest that validity is appropriately addressed if 'a sufficient number of perspectives have been included' in a study, whilst reliability concerns whether 'similar observations [will] be reached by other observers'.

Other views on validity and reliability could be cited, but I shall just add to the points already made the issues of 'researcher bias' and 'reactivity' (Maxwell, 2005, 108-109). The former involves the researcher's subjectivity, while the latter concerns the influence of the researcher on the setting or individuals being studied. However, as Maxwell indicates, these issues cannot be addressed in qualitative research by attempting to eliminate them. Instead, the aim should be to understand 'how a ... researcher ... might influence the conduct and conclusions of a study' (Maxwell, 2005, 108-109).

#### *4.7.2 The positions adopted in this study*

As I noted above, the conclusions eventually drawn from this research will need to be appropriate to the context in which it has been undertaken, the research questions posed, and the nature of the analysis undertaken. With regard to the question of validity, in this study I believe I have, for example,

addressed some of the issues involved in taking forward from the consideration of the literature in chapters 2 and 3 to my data analysis, a consistent range of concepts and widely used ways of describing and defining, for instance, governance roles and processes. More generally, I accept the tenor of the positions espoused by Hammersley and Easterby-Smith *et al.* The number of case study institutions included in this research, and the extent and variety of individual respondents, therefore, together ensure that an appropriately wide range of perspectives have been included in the study to enable judgements to be made about the validity and relevance of my research, in terms of the credibility and plausibility, and the coherence and consistency, of the account given.

Turning finally to reliability, I would argue that I have given sufficiently clear details of the methods I have used, and of the nature of the cases (and of individual data sources within cases – i.e. types of governing body member, etc), that the research process, from data collection to analysis, could be repeated. I would expect the outcome of such a process to meet the criteria suggested by Easterby-Smith *et al.*, or Hammersley, in terms of findings and conclusions similar to mine being reached.

## **4.8 Conclusions**

### **4.8.1 Overall methodological position**

In this chapter I have briefly explained the underlying assumptions behind my approach to this study, and the basis for adopting qualitative

methods and a case study research design. In the latter regard, I have also indicated how I have addressed the issue of the balance between the analysis of my data in relation to the quintain, or the totality of the case studies considered as a whole, versus the individual institutions taken on a case by case basis, and the reasons for focussing on the former. Details have been given of how the study was undertaken, ethical issues have been addressed and questions of validity and reliability discussed. Overall, I contend that my methodological approach is consistent with my research aims, and the more specific research questions that derive from those aims. I shall now, therefore, turn to my data, and its analysis.

## Chapter 5: The principal findings from the research

### 5.1 Expectations as to governing body roles

#### 5.1.1 *Parameters set in the UK private sector*

It was shown above (section 3.2) that a wide variety of roles and responsibilities have been associated with boards and governing bodies. These were summarised for the UK private sector in sub-section 3.2.3 and included roles in relation to:

- control and oversight of the executive;
- setting the strategic direction;
- ensuring appropriate controls exist; and,
- ensuring accountability to shareholders.

Consideration of governance theory (see sub-section 3.3.8), and of studies of governance in a range of private sector settings, suggested that attention should also be paid to:

- supporting management;
- linking organisations to external resources; and,
- preserving and maintaining institutional purpose and assets.

#### 5.1.2 *Explicit expectations in the higher education sector*

In the higher education sector, the equivalent set of expectations as to governing body roles involved:

- meeting legal and regulatory requirements;
- overseeing the activities of the institution and monitoring institutional performance;



- determining the future direction, and approving the mission and strategic vision and long-terms plans;
- ensuring appropriate controls exist to assess and manage risk; and,
- ensuring accountability to stakeholders (see sub-section 3.2.5).

In the light of these parameters, and other expectations of both private and public sector boards and governing bodies discussed in chapter 3, and the approach to the analysis of the data discussed in chapter 4 (see section 4.5), it is now appropriate to consider in summary form the principal findings that emerged from that data. I shall first consider the transcribed interview data, before turning to the secondary documentary and observational data, and then the data obtained from the exposure of governing body members and attendees to a matrix summarising a number of prominent theoretical perspectives on governance.

## **5.2 Perceptions as to the principal roles of higher education governing bodies**

### **5.2.1 *The variety of roles perceived by governing body members***

The first pair of the primary research questions in this study focus on governing body members' and attendees' perceptions of collective governing body roles, and their own roles as individuals in that wider context. In exploring these questions, an iterative approach was taken to the identification of themes in the transcript data, as noted in chapter 4 (sub-section 4.5.3). In this process, perceptions of a variety of governing body roles were revealed. In most instances these roles could be related to those summarised in sub-

section 5.1.2 above, derived from the Committee of University Chairs' (CUC's) Governance Code of Practice (CUC, 2010), or from the Higher Education Funding Council for England's (HEFCE's) Financial Memorandum (HEFCE, 2010b). However, other roles were perceived to exist that were not explicitly set out in CUC or HEFCE guidance. It also became apparent as the first half of the transcript data was considered that there were also governing body roles that form part of the standard normative repertoire of such roles that were mentioned by only a very small number of interviewees.

The principal themes identified in the data, and associated with the overall roles of governing bodies were as follows:

- (a) *Challenging the executive management team.* The variety of terminology used in relation to this theme included reference to acting as a check and balance on the executive, or holding them to account; occasionally the terminology extended to ideas of oversight and scrutiny, or supervision, of the university, or specifically of the Vice-Chancellor and/or the executive. Related points included making the executive uncomfortable when necessary, and the governing body's capacity ultimately to block proposals.
- (b) *Supporting the executive management team.* Many interviewees gave the impression that being supportive of the executive was ultimately more important than being too challenging. This involved specifically supporting the Vice-Chancellor or Principal, not stifling the executive, and being supportive unless there were imperative reasons not to be; the idea of being a critical friend was mentioned by some respondents, and of being both challenging and supportive.

- (c) *Providing advice and guidance.* There was a strong theme associated with the governing body offering both general and specialised advice and guidance to the Vice-Chancellor and the executive. It was recognised that this could involve constructive criticism, and that one way of being supportive was to advise and guide. Nonetheless providing advice and guidance emerged as a clear and distinct role in its own right. Other aspects of this theme included a strong focus on individual governing body members' expertise and specialist knowledge, and a somewhat less frequent stress on the benefits of team-working.
- (d) *Acting as a link with, and/or having an ambassadorial role to, the outside world.* In some cases this theme was associated with the idea of engagement with local communities; in other instances there was emphasis on links between individual external governing body members and important external individuals or organisations, whose influence could be mobilised on the institution's behalf.
- (e) *Playing a role in strategy development.* Respondents reflecting this theme spoke of agreeing the institutional strategy, or contributing to it, but there was variability in views as to where the lead role in strategy development resided. Sometimes it was seen as residing with the governing body, but more often the governing body was regarded as 'influencing', or 'contributing to', or 'agreeing the direction' of the strategy.
- (f) *Overseeing educational character and academic activities.* An additional theme emerging strongly in the data from all the institutions related to the extent to which the governing body was, or should be, involved in the oversight of the educational character and the academic activities of the institution. This was recognised as an important issue in all the institutions, but in most cases it was felt that the governing body's role should be limited, and that responsibility in this area should be exercised primarily by academics.

In addition to the themes identified above as arising in the data, and the governing body roles associated with those themes, there were additional themes that emerged much less strongly, and less frequently, but that could also be related directly to roles that are part of the standard package of governing body roles, as reiterated in section 5.1 above. These were:

- (g) *ensuring compliance with legal and statutory requirements*; and,
- (h) *paying explicit attention to issues associated with risk assessment and management.*

Finally, it is relevant to note also that there was hardly any indication that governing bodies might play a leadership role. As was noted in sub-section 3.2.5, this is not currently identified as a role in the governance guidance for the higher education sector. It does, however, feature in the package of standard roles in the commercial sector, and has been recently highlighted in the higher education context by Schofield who suggested, *inter alia*, that 'it is increasingly recognised that an effective board has an important leadership role' (Schofield, 2009, 28). However, the evidence from this study is that such a role is not recognised in this way.

#### 5.2.2 *The principal governing body roles considered institution by institution*

As indicated in chapter 4 (sub-section 4.5.4), the themes with regard to governing body roles that emerged from the interview data were considered initially on an institution by institution basis. In each of the seven institutions involved in the study, all of the first six themes, and therefore roles, identified above were perceived to exist. The approximate strength with which each theme was highlighted in the interviewees' responses is indicated in Table 5.1

below, which also gives an impression of the extent to which the less frequently recognised themes were also identified.

Table 5.1: Governing body roles identified institution by institution

Principal roles:	Institutions:						
	CityMod	Civic	ExCAT	Gr'nfield	NewMill	TownMod	UniColl
Challenge	√√√	√√	√√	√√	√√√	√√	√√
Support	√√	√√√	√√	√√√	√√	√√	√√
Advice and guidance	√√	√√	√	√√	√√	√	√√
Link to outside world	√√	√	√√	√	√√	√√	√√
Contribute to strategy	√√√	√√√	√√	√	√√√	√	√√
Hands off re educ character	√√	√√√	√√	√√√	No, more hands on	√√	No, more hands on
Legal & stat compliance	√√	√	√	-	-	√	√
Risk ass'mnt	√	√	-	√√	-	√	-

Notes: √, √√, or √√√ = estimates of degree of support for category indicated;  
 - = no mention.

Overall, as Table 5.1 illustrates, in relation to most of the themes identified in the interview data there was a considerable degree of commonality in the views expressed across all the institutions. The clearest differences on an institution by institution basis lay in the attitudes displayed toward governing body oversight of educational character. Although it was widely accepted that governing bodies had an ultimate responsibility for the educational character and academic activities of their institutions, in five institutions the governing bodies’ approach to these issues in practice was to be very much ‘hands-off’. Only in the case of NewMill university and

UniCollege was the approach more 'hands-on'. These differences will be considered further when each of the themes and roles identified above is discussed in more detail in the next chapter (section 6.7).

The other major differences between institutions in Table 5.1 - towards governing bodies' roles in relation to legal and statutory compliance and risk assessment and management - reflect principally a lack of reference by most respondents to these issues. Whilst it is reasonable to note therefore, that interviewees identified these roles more clearly in some institutions than others – for example, CityMod with regard to compliance and Greenfield in relation to risk - this cannot necessarily be taken to imply in the cases where these issues were less frequently discussed, or not discussed at all, that no attention is paid to such topics, as review of documentary evidence suggests otherwise. These points will be considered further in section 6.8.

Finally, in relation to the more subtle indications of differences between institutions in respect to the other themes and roles highlighted, while I am confident that these differences reflect my consistent judgement of the perceptions expressed by interviewees in different institutions, they nonetheless remain subjective assessments of the weight and nature of the opinions expressed. So, for example, I am clear that respondents from Greenfield and TownMod universities had less to say about governing bodies' roles in providing advice and guidance to the Vice-Chancellor and the executive than was the case in the other institutions in the study. However, although this impression was formed partly in the light of the number and

extent of the comments made by interviewees that could be linked to this theme, it was not, nor should it have been, primarily a judgement based on something amounting to a quantitative measure. Instead, it reflects my overall impression of the nature of the comments made about a particular governing body role, the relationship of those comments to expressions of opinion about other governing body roles, and an ultimately holistic judgement as to the extent to which different themes, and therefore roles, are privileged and seen as important from institution to institution. This overall holistic judgement therefore attempts to capture partly an indication of the frequency of comments about a particular governing body role, based on the number of interviewees who discussed that role, but also something about the extent of the comments made. Extended remarks or multiple references to a role were therefore given greater weight than less extensive or singular comments. I have also attempted to take account of how interesting or thoughtful comments were, although this was certainly the most subjective aspect of a process that was inevitably subjective overall.

Similar points apply to each of the major themes identified above, and their associated governing body roles. In addition, the potential for variability in the overall impression formed of governing body members' and attendees' perceptions associated with the make up of each institutional group of interviewees must be borne in mind. For example, in some cases most of the interviewees from an institution were external members of the governing body (100% in the case of NewMill), whilst elsewhere more internal members or attendees than externals were interviewed (six out of eight in the case of

CityMod; see Table 4.3, p 152). These differences militate against attaching too much significance to the differences in the prominence and potential importance of particular themes that are apparent when they are viewed on an institution by institution basis.

### *5.2.3 The principal governing body roles considered by category of governing body member or attendee*

Given that the governing body members and attendees interviewed in this study fall in to a number of straightforward and common categories, as set out in Table 4.3 (p 152), it was also possible to consider whether perceptions of the principal roles of governing bodies varied according the category into which each individual interviewee fell, both generally and in relation to specific individual roles such as those of chair, Vice-Chancellor and governing body secretary. The approximate strength with which each theme was identified in this context is indicated in Table 5.2 overleaf.

The table shows, as was also the case with the extent of variation in perceptions of governing body roles viewed institution by institution set out in Table 5.1 (p 184), that there was a considerable degree of commonality in the views expressed by different types of governing body member or attendee. The clearest differences perhaps lay in degree of emphasis given by external members to their perceptions of governing bodies' roles in relation to challenge, support, the provision of advice and guidance, and linking to the outside world, when compared to the perceptions of other governing body



Table 5.2: Governing body roles identified by category of governing body member or attendee

Principal roles:	Category of GB member or attendee:					
	Chair	VC	Sec'tary	External member	Internal non-exec	Student
Challenge	√√	√√	√	√√√	√√	√
Support	√√√	√√	√	√√√	√√	√√
Advice and guidance from externals	√√	√√	√	√√√	√√√	√√
Advice and guidance from non-execs & students	√√	√√	√√	√	√√	√√√
Link to outside world	√√	√√	√	√√√	√√	√
Contribute to strategy	√√	√√	√√	√√	√√	√
Hands off re educ character	√√	√√√	√	√√√	√√√	√√
Legal & stat compliance	√	√	√	√	(√)	(√)
Risk ass'mnt	-	√	-	√	-	-

Notes: √, √√, or √√√ = estimates of degree of support for category indicated;

(√) = hint of support; - = no mention;

Internal executive members and attendees have been omitted from the categories listed on the grounds that only two of the former and three of the latter were represented amongst the interviewees, and they were not evenly distributed across the institutions.

members. In relation to the provision of advice and guidance by the governing body, it seems reasonable here to differentiate between advice and guidance ultimately derived from external members and that from internal non-executive staff members and students. Students appeared to value particularly strongly the fact that their views were sought and listened to, but while this was recognised by other categories of governing body member, the relative emphasis placed on students' (and non-executive staff members') contributions by external members was markedly less. The nature of these

and other apparent differences will be considered further in more detail in the next chapter (section 6.4).

As with the more subtle indications of differences between institutions in respect to governing body roles highlighted in Table 5.1 (p 184), I believe that my judgement of what the transcripts reveal about the perceptions expressed by different categories of governing body member and attendee set out in Table 5.2 (p 188) are reasonable, and consistent with the data. However, it needs to be stressed that the results set out in the table are once again based ultimately on my subjective assessments of the weight and nature of the opinions expressed. So, for example, while I am confident that the institutional secretaries taken as a whole said less about, and gave less emphasis to, most of the governing bodies' roles when compared to the other categories of respondent, only three governing body secretaries were interviewed and caution therefore needs to be exercised when comparing their views collectively to those of larger groups, such as the six chairs or the 17 other external members. Having said which, I suspect that the governing body secretaries were to some extent simply being professionally cautious, and therefore measured, in their responses, when compared, say, to the sometimes more outspoken and occasionally tendentious external members. As with the institution by institution differences apparent in Table 5.1, the judgements recorded in Table 5.2 reflect my overall impression of the nature of the comments made, their relationship to expressions of opinion about other governing body roles, and an ultimately holistic judgement as to the

extent to which different themes, and therefore roles, are privileged and seen as important by different categories of governing body members or attendees.

### **5.3 Perceptions of effectiveness in higher education governance**

#### **5.3.1 *The development of concern with effectiveness***

In chapters 2 and 3 it was noted that from at least the mid 1980s onwards there was an increasing focus on efficiency, effectiveness and economy in both the public sector generally, and in the higher education sector. The Jarratt report (sub-section 2.4.2) was arguably the first serious attempt by the university sector to address these issues collectively. Subsequently, a range of factors combined to create the circumstances in which the effectiveness of governance became a major area of attention in higher education. The CUC led the way in promoting interest in university governance from the late 1990s (see sub-section 2.11.1), latterly in association with the Leadership Foundation for Higher Education (LFHE). The LFHE ultimately took a leading role in the development of proposals intended to enable the higher education sector to improve governance effectiveness (Schofield, 2009; LFHE, 2011c; see sub-section 3.6.3). The collective efforts of the CUC, LFHE and the funding councils have led to the development of a number of expectations as to the nature of higher education governing body effectiveness and how it may be achieved. However, these expectations, expressed for example in Schofield's multiple enablers and outcomes of effective governance (Schofield, 2009, 28-45; see again sub-

section 3.6.3), do not yet have (and, indeed, may not come to have) the same weight placed on them as the widely accepted expectations with regard to governing body roles. Nonetheless, they provide a convenient comparator to bear in mind when considering the views expressed in relation to the second pair of primary research questions considered in this study (see sub-section 4.1.2), concerning perceptions as to what constitutes effectiveness, and the factors that contribute to achieving effectiveness in governance.

#### 5.3.2 *The variety of factors perceived as contributing to, or demonstrating, governing body effectiveness*

Whereas the perceptions of governing body roles that emerged from the transcript data were relatively discrete and could reasonably straightforwardly be grouped into a set of common themes that most interviewees referred to, the picture in relation to perceptions of effectiveness in governance was more fragmented. Nonetheless, a variety of factors could be identified that respondents either felt demonstrated effectiveness, or contributed to achieving effectiveness. The most frequently discussed factors were as follows:

- (a) *Performing governing body roles well.* This theme involved the idea that effectiveness was associated with carrying out the major roles of the governing body (challenge, support, contributing to strategy, etc) and palpably doing so well.
- (b) *Institutional performance.* A number of interviewees related effectiveness straightforwardly to institutional performance in the sense that if an institution was successful this was seen as demonstrating that the governing body was being effective.

- (c) *The capability and performance of the chair.* A distinct strand of thought suggested that the chair had a crucial role to play in ensuring effectiveness.
- (d) *The capability and performance of individual governing body members.* Alongside a focus on the chair and his/her role, a number of interviewees also regarded the capability and performance of individual governing body members as very important to achieving effectiveness.
- (e) *Behaviours and trust.* As well as individuals' capabilities, another critical factor was seen to involve peoples' behaviours towards one another, and stressed the importance of trust and openness.
- (f) *Structural aspects of governance arrangements.* In some cases respondents laid particular stress on the potential contribution to effectiveness of structural aspects of governance arrangements, such as the nature of the governing body's sub-committees and how they operated.
- (g) *The nature of governing body processes.* Here there was an emphasis on matters such as how agendas were structured, and meetings managed, and their role in ensuring effective governance.
- (h) *Provision of appropriate information.* A final theme worth citing here concerned the need, if a governing body was to be effective, for it to be provided with appropriate information, both with regard to its nature and quantity.

A number of other factors perceived as contributing to effective were also mentioned, albeit less frequently. In addition, a number of governing body members and attendees discussed additional issues in the general context of effectiveness. These included:

- (i) *The intrinsic difficulty of effectiveness as a concept.* A number of respondents made clear that they saw effectiveness in governance as a difficult issue to address.
- (j) *Institutional accountability and independence.* For some interviewees, the question of effectiveness related to some degree to the extent to which governing bodies met perceived accountability requirements. However, this issue also led some people to discuss the importance of institutional independence and the governing body's role in guarding that independence.
- (k) *The capacity to identify and address crises.* The governing body's capacity to identify and address crises was seen in some cases as the potential ultimate test of effectiveness.

### 5.3.3 *Effectiveness factors and issues considered institution by institution*

Although the themes associated with effectiveness in governance were arguably overall somewhat less cohesive than principal themes in relation to governing body roles discussed above (see sub-section 5.2.2), the data can also be reviewed on an institution by institution basis. They are set out in Tables 5.3 and 5.4 below.

Table 5.3: Factors perceived as demonstrating, or contributing to, governing body effectiveness on an institution by institution basis

Effectiveness factors	Institutions:						
	CityMod	Civic	ExCAT	Gr'nfield	NewMill	TMod	UniColl
Performing GB roles well	√	√	√	√√	√	√	√
Inst performance	√	(√)	√	√	√√	√	√
Capability of chair	√√	√√	√	√√	√	√	√
Capability of GB members	√	√√	√√	√√	√	√√	√
Behaviours and trust	(√)	√√	√	√	√√	√√	√√
GB structure	(√)	√	√	√√	√	(√)	√
Nature of GB processes	√√	√	√	√	√√	(√)	(√)
Provision of appropriate info	√√	√√	√	√	√	√	√

Table 5.4: Other issues associated with considering governing body effectiveness institution by institution

Issues associated with effectiveness	Institutions:						
	CityMod	Civic	ExCAT	Gr'nfield	NewMill	TMod	UniColl
Difficulty as a concept	√√	√	√√	√	-	-	(√)
Institutional accountability	√√	√	√	√	√√	√√	√
Institutional independence	√	√√	√	√√	-	√	-
Confidence re crises	(√)	√	√	√√	√	√	(√)

Notes: (√), √, or √√ = rough estimates of degree of support for category indicated (where (√) = hint of support); - = no mention.

Although some variation on an institution by institution basis is detectable in Tables 5.3 and 5.4 – for example, with regard to the importance to effectiveness of the capability of the chair, or the nature of governing body processes – these are arguably less marked than the similarities. This position is broadly sustained even when institutions are considered in groups – e.g. chartered *versus* incorporated. For instance, with regard to the importance of the chair, two of the three institutions where this was perceived

as one of the more important contributors to effectiveness, Civic and Greenfield were chartered, but one, CityMod, was incorporated. Even where one factor – the nature of governing body processes – was seen as somewhat less significant in all three chartered institutions (Civic, ExCAT and Greenfield), it was then seen as more significant in two of the incorporated institutions (CityMod and TownMod), but apparently less significant in the other incorporated institution (NewMill) and in UniCollege (whose governance arrangements are equivalent to those of the incorporated institutions). In the case of perceptions with regard to institutional independence, possibly slightly more significance can be attached to the fact that this was perceived as most important at two of the three chartered institutions, but least important at the institution that had most recently become a university (NewMill) and at UniCollege, which was working towards university status and had only relatively recently achieved university college status. However, in all cases one needs to bear in mind again the breadth of views expressed, and the differences in the nature and size of the groups of individuals expressing these opinions, and therefore to be cautious in drawing overall conclusions.

#### *5.3.4 Effectiveness factors and issues considered by category of governing body member or attendee*

The principal themes associated with effectiveness in governance, considered by category of governing member or attendee, are set out in Tables 5.5 and 5.6 below. In these two tables, as was the case in Tables 5.3 and 5.4 (p 194), no very strong patterns are discernible. It is, however, interesting to note the overall stress on the role of the chair, the importance of



behaviours and trust, and the general consensus as to the importance of appropriate information provision. The absence of the mention of a number of factors by both governing body secretaries and student members is also relatively striking, with the latter being perhaps more explicable (on grounds of lack of experience and possibly narrower breadth of view), than the former.

Table 5.5: Factors perceived as demonstrating, or contributing to, governing body effectiveness by category of governing body member or attendee

Effectiveness factors:	Category of GB member or attendee:					
	Chair	VC	Sec'tary	External member	Internal non-exec	Student
Performing GB roles well	√	√	-	√√	√√	-
Inst performance	√	√√	-	√√	√	-
Capability of chair	√	√√	√	√√	(√)	√
Capability of GB members	√	√	(√)	√	√	(√)
Behaviours and trust	√√	√	√	√	√	(√)
GB stucture	√	(√)	√	(√)	√√	-
Nature of GB processes	√√	√	√	√√	√	√
Provision of appropriate info	√√	√	√√	√√	√	√√

Table 5.6: Other issues associated with considering governing body effectiveness by category of governing body member or attendee

Issues associated with effectiveness	Category of GB member or attendee:					
	Chair	VC	Sec'tary	External member	Internal non-exec	Student
Difficulty as a concept	√	√	√√	√	√	(√)
Institutional accountability	√√	√√	(√)	√√	√	√√
Institutional independence	√	√	-	√√	√	-
Confidence re crises	√	√	(√)	√√	√	√

Notes: (√), √, or √√ = rough estimates of degree of support for category indicated (where (√) = hint of support); - = no mention.

It seems reasonably clear overall, however, as was the case with perceptions of governing body roles, that similarities of view amongst different categories of governing body members and attendees are more common than differences.

#### 5.4 The quintain or the case studies

##### 5.4.1 *The balance between the quintain and the case studies reviewed*

It was noted in Chapter 4 (sub-section 4.5.4) that consideration of the principal themes arising from the transcribed interview data showed that some differences could be detected on a case by case, and therefore an institution by institution, basis, but that there were overall more similarities in interviewees' responses than differences. This point is clearly illustrated by the summaries presented above in Tables 5.1, 5.3 and 5.4 (pp 184 and 194).

Bearing in mind the nature of the data, and its reflection of the necessarily subjective perceptions of individual governing body members and attendees, it cannot as a whole be regarded in any simple sense as representing an objective truth, but must instead be seen as comprising a palette of subjective constructions. Adding to this mix my role, as the researcher, in the creation of these subjective constructions, it would, I believe, have been inappropriate to undertake a fine-grained analysis of the interview data on an institution by institution (and therefore case study by case study basis). Given that the material set out in Tables 5.2, 5.5 and 5.6 (pp 188, 196, 197) shows even more clearly that there are more similarities than differences in the data when they are considered in relation to different categories of governing body member or attendee, an approach focussing on a detailed analysis of interviewees' responses according to the category of their governing body membership or attendance type, would I suggest also have been inappropriate. With these thoughts in mind, I shall therefore present, analyse and interpret the interview data in more detail in the following chapters in relation on the one hand to the perceived principal governing body roles and on the other hand to the perceived effectiveness factors and issues set out in sections 5.2 and 5.3 above. Before doing so I shall now turn to the findings from the supplementary documentary and observational data also collected during the study.

## 5.5 The documentary data

### 5.5.1 *The extent of the meeting documentation considered*

Simply by virtue of being committees, all the governing bodies of the case study institutions used standard types of documentation, including agendas, minutes and a variety of other papers on a wide range of subjects. The most complete set of meeting-related paperwork was obtained from Civic university, with relatively complete sets of data available also for CityMod and Greenfield universities and UniCollege. Given the secondary nature of the documentary material as a data source, and constraints on the time available for the study as a whole, I did not attempt to obtain fuller sets of data from the other institutions (ExCAT, NewMill and TownMod). Where documentary evidence was reviewed, it covered a period of one to one and a half years across the academic years 2009-2010 and 2010-2011.

### 5.5.2 *Agendas*

The range of topics covered on all the agendas was broadly similar, as one would expect. In each case there was some preliminary business (such as apologies, minutes and matters arising, and declarations of interest). Thereafter the agenda items varied, although in most cases there were a number of standard items taken next at each meeting. For example, at Civic university these items always included a health and safety report, chairman's business and Vice-Chancellor's business. Chair's business and Vice-Chancellors' reports were common features at all institutions.

Apart from revealing standard items addressed at every, or almost every, meeting, the agendas reveal the breadth of topics addressed by each governing body. Regular reports on institutional finances appear, as do items such as the approval of the annual budget and of one off items associated with capital projects or other medium to long term developments. Other topics include regular reviews of risk management, reports from a wide range of sub-committees, reports to external bodies such as HEFCE and consideration of proposals made by such bodies (e.g. amendments proposed by HEFCE to the financial memorandum in 2009-2010).

In terms of the overall structuring of agendas, the practice appeared to be most developed at Civic university, where six explicit categories were used – ‘preliminary business’ at the start and ‘other business’ at the end, with the other categories being (in sequence) strategic matters, governance and risk, performance monitoring and reserved matters. Although this approach appeared to provide clarity for governing body members, detailed scrutiny of the agendas suggested that some variability still existed as to what was deemed to fall in each category. For instance, an item relating to a series of changes to the institution’s statutes appeared at one meeting in the performance monitoring section, but came back to the following meeting in the strategy section of the agenda, without it being immediately apparent why this was the case. In addition, the performance monitoring section seemed at times to be used as a catch-all category, with, for example, consideration of a revised code of practice on freedom of speech being dealt with in this section.

Governing body agendas therefore reflect varying degrees of apparent consideration as to how meetings might best be structured. There was also routine use of 'starring' to identify items not requiring discussion, and a mixture of types and scales of business for consideration, from policy documents, through regular and routine but significant topics such as annual budgets, to one-off items varying from large scale development projects to items requiring formal approval for fiduciary or regulatory reasons.

At all the institutions where agendas were studied, the number of items for consideration varied from about 15 to about 30 at each meeting. In all cases between a quarter and a third of these items were starred as not for discussion. Even where topics were discussed, the comments of some interviewees and observation of governing body meetings at Civic university (see section 5.6) revealed that only a small number of agenda items at each meeting – around three or four - would lead to extended discussion, and that the time taken up by discussion of most items was in practice around five to ten minutes.

### *5.5.3 Quantity of paperwork for consideration by governing bodies*

Also apparent from consideration of documentary evidence was an indication of the quantity of material considered at each meeting. The perceived importance to governing body effectiveness of the nature and quantity of paperwork provided to governing bodies was highlighted by a number of governing body members in their interviews (see Tables 5.3 and 5.5, pp 194 and 196). The material available from Civic and Greenfield

universities showed that the papers supplied for most governing body meetings ran to between 100 and 200 pages, and was occasionally as much as 300 pages. On balance less paperwork was provided to governing body members at Civic university than at Greenfield university, but at Civic university people had to contend with longer agendas and a higher number of distinct, separate papers than their counterparts at Greenfield university. Possibly related to this, when the governing body minutes were considered, those from Civic university tended to be the longest, running to well over ten pages, compared to between 5 and 10 pages at Greenfield university. Although somewhat less of the governing body paperwork was available for CityMod university and UniCollege, it appeared that on the whole less paperwork was presented at the meetings of these two institutions than at Civic and Greenfield universities. It is possible that this difference relates to the incorporated versus chartered nature of the two pairs of institutions, but given the small number of institutions involved this point is necessarily speculative.

From the governing body minutes it appeared clear that much time - indeed, the majority of the time - in each meeting was spent by the chair, Vice-Chancellor or executive attendees in introducing and presenting material, and that the opportunities for contributions from external members were somewhat limited because of this. The minutes also suggested that the items dealt with (but not in all cases discussed) at governing body meetings at Civic and Greenfield universities could be categorised as follows:

Table 5.7: Categories of item, and frequency of occurrence, in governing body minutes

Category of item	Civic university	Greenfield university
Routine preliminaries	17%	31%
Governance/membership	13%	5%
Strategy-related	11%	10%
Monitoring and approval	24%	27%
Receipt of information	37%	26%
Other activities	8%	1%

In relation to the overall perceptions of governing body roles set out in Tables 5.1 and 5.2 (pp 184, 188) and the categories of items discussed and their frequency of occurrence in the documentary evidence there is at first sight something of a mismatch. However, the nature of meeting agendas and papers presented for discussion, most of which had been drafted by members of the executive or had come from subsidiary committees, meant that they were not often likely to identify examples of input from governing body members in terms of roles such as providing challenge, or support, or advice and guidance. The minutes of meetings were in principle more likely to capture direct input by governing body members in discussions, and therefore to demonstrate them carrying out their self-perceived roles. However, in practice the minutes reviewed were written in a very concise style, which did not often capture much detail of discussion, or indicate other than very occasionally which individuals had made particular points. It was therefore perhaps inevitably difficult to support, or rebut, most claims by governing body members as to the roles they carry out by reviewing documentary evidence.



By contrast, however, it was possible to note evidence in the documentation that governing bodies, and therefore governing body members, were attending to some of the normative roles expected of them that they had had little to say about in their interviews. This was because subsumed within the categories of items discussed at each governing body meeting were numerous items dealing with monitoring and approval, and the receipt of information. These categories, and particularly the former, involved a range of items concerned with the governing bodies' roles in relation to compliance with legal and statutory requirements, and risk management, which it was noted in Tables 5.1 and 5.2 (pp 184 and 188) were not emphasised to any great extent in the data obtained from interviews with governing body members and attendees.

#### *5.5.4 Limitations as to the value of documentary evidence*

Although useful information can be obtained from documentary evidence, it needs to be recognised that such material necessarily has limitations as a source of data. Minutes, for example, can provide details of topics considered by governing bodies, the extent to which different types of information were presented, and how they were formally recorded as being addressed. However, minutes will very rarely, if ever, reveal anything about governing body members' perceptions of their roles. In the context of this study they were therefore primarily of use to supplement the data obtained directly from governing body members in interviews. In that regard they provided some confirmation for members' expressions of concern about the volumes of material they received, and the time available to deal with that

material. The documentary evidence also gave some idea of the nature and frequency of the topics considered in governing body meetings, and showed that more consideration is given to activities associated with monitoring and control roles than was apparent in the interview data.

## **5.6 Evidence from the observation of meetings**

### *5.6.1 Parameters for the observation of meetings at Civic university*

Two governing body meetings were observed at Civic university. The meetings in question were routine meetings, being part of the regular schedule of meetings. One took place in the early spring of 2010 and one in the early summer of the same year; they will therefore be referred to as the spring meeting or the summer meeting as appropriate. There were just under 30 people present at each meeting. Summary details of the number and nature of the people present at each meeting, of the physical and other practical arrangements for the meeting, and how I approached the task of observation, are given in Appendix 6.

### *5.6.2 The observations made*

In making observations, my first impression was that the general atmosphere immediately before each of the meetings was very positive. Both when coffee and tea were taken before the meetings, and as people moved into the meeting room, there was a good-natured buzz of conversation. This gave the impression of a group of people who appeared to get on well

together and who were, generally speaking, looking forward to the meeting they were about to attend. At the start of each meeting, albeit more strongly at the spring meeting than the summer meeting, the chair took the opportunity to attempt some pre-emptive meeting management, by stressing the importance of a small number of items that were likely to need extended discussion and encouraging those who wanted to contribute to that discussion to be focussed and concise. These comments prompted some humorous banter, but members gave clear signals of acknowledging her remarks, and their serious intent, either nodding or murmuring their assent.

The majority of the time in each meeting was taken up by the chair, the Vice-Chancellor, or by members of the executive presenting oral reports, or orally introducing papers for consideration. The approximate breakdown of how time in each meeting was used is set out in Tables 5.8 and 5.9 below.

Table 5.8: Approximate time taken up by each type of item on the agenda at each meeting

	Type of agenda item and approx time spent (mins) plus number of separate items dealt with (in brackets)					
Meeting	Preliminaries	Strategy-related	Governance and risk	Monitoring & approval	Reserved items	Not for discussion
Spring	25 (5)	45 (2)	0 (0)	110 (9)	0 (0)	0 (4)
Summer	65 (5)	20 (3)	60 (2)	35 (6)	5 (1)	0 (11)

Table 5.9: Approximate breakdown of time taken up by members or attendees at each meeting

	Speaker category and approximate time spent (mins) and proportion of total meeting time taken up (in brackets)					
Meeting	Chair	Vice-Chancellor	Executive attendees	External members	Internal members: Staff      Student	
Spring	30 (17%)	30 (17%)	60 (33%)	40 (22%)	15 (8%)	5 (3%)
Summer	45 (24%)	45 (24%)	30 (16%)	50 (27%)	10 (5%)	5 (3%)

In relation to the data in Table 5.8, at the spring meeting the two items addressed in the strategy-related category both took similar amounts of time (ca 20 to 25 minutes), while in the monitoring category one multi-part item took 30 minutes, one other item took 20 minutes and another two items took 10 minutes each. In the summer meeting, the chair's and Vice-Chancellor's reports both contained more separate sub-items than had been the case in the spring, a number of which in themselves involved lengthy reports, and the preliminary section of the agenda therefore took considerably longer than it had in the spring. Two of the three strategic items at the summer meeting were matters coming back to the governing body after further work had been done following previous consideration and this led to relatively short discussions of these items. At this meeting the longest item, presented and then discussed for a total of some 55 minutes, was the report of a governance review. The review had been chaired by a deputy chair, who presented the report (he was, of course, an external member), and prompted considerable discussion amongst the other external members.

Turning to Table 5.9, the two factors just mentioned above account for the increase from the spring to the summer meetings in the amount of time taken up with contributions from external members, and the change in the balance of the contributions of external members versus executive attendees. Table 5.9 also shows the considerable amount of time at each meeting taken up by the chair and Vice-Chancellor (over half the time at the summer meeting). Overall, around two-thirds of the time was taken up by contributions from the chair, the Vice-Chancellor or executive attendees. Most of these

contributions involved the provision of information to other members of the governing body. Contributions from the other members made up around a third of the time taken for each meeting, with external members contributing most, internal, non-executives contributing about a quarter to a third of the time input by external members, with the students having least to say. In addition, the students' comments, on the evidence of these two meetings, were restricted to topics of direct interest to students, such as accommodation, except when they were explicitly invited by the chair to express views on broader issues. The extent of the contributions by governing body members other than the chair and Vice-Chancellor are summarised in Table 5.10 overleaf.

The table shows 4 externals failing to contribute to the spring or summer meetings (out of 10 and 11 externals present respectively). However, although my view was inevitably subjective, in neither meeting did I form the impression that these externals had been deterred from speaking. Indeed, all the external members appeared to be attentive most of the time, listening to what was being said, and showing signs of interest or agreement, even when they did not feel moved to contribute personally. The non-executive staff and the students also appeared, from their body language, to be interested in and engaged by what was going for most of the time. Amongst the external members making three or more contributions, the same people featured in each meeting. They included one of the deputy chairs and two sub-committee chairs. All three of them gave signs in the meetings of being particularly self-confident, albeit very courteously so.

Table 5.10: Number of contributions by each type of governing body member present

Type of member	Spring meeting	Summer meeting
Number of externals present excl chair	10	11
Of whom, number making no contributions	4	4
number making one contribution	3	1
number making two contributions	1	1
number making three contributions	1	2
number making four contributions	1	0
number making five contributions	0	1
number making six contributions	0	2
Number of internal non-executives present	4	2
Of whom, number making no contributions	2	1
number making one contribution	1	0
number making two contributions	0	1
number making three contributions	1	0
Number of student members present	2	2
Of whom, number making no contributions	0	1
number making one contribution	0	1
number making two contributions	2	0

Another aspect of the number of contributions made by members was that female external members (excluding the female chair) seemed less prone to contribute than male external members. The ratio of men to women in the external membership was about three to one, so one would expect there to be fewer contributions in total from women than men. However, on the basis of the two meetings observed, women appeared to be less likely to contribute, *pro rata*, than men. It would have been interesting to see if this apparent difference was borne out over a longer period, or was simply a quirk of the two meetings in question.

Although the general tenor of the meetings, and the behaviour and engagement of members and attendees, were broadly positive, there were occasional signs of disengagement, with people clearly not paying attention to whoever was speaking. In some instances this lack of engagement was illustrated by people holding side conversations, or in the case of some members of the executive, by the use of BlackBerrys (or similar hand-held devices) and in one instance the extended use of a laptop computer. Generic signs of lack of focus on what a speaker was saying sometimes occurred towards the end of relatively lengthy items. In most of these instances it seems likely that some members or attendees felt that enough had already been said on a subject, so that they did not feel it necessary (or were not sufficiently inspired) to keep paying attention; in other cases, people may just have become bored. A slight increase in signs of disengagement was apparent towards the end of both meetings, accompanied by an increase in yawning, and it seems probable that this was simply a reflection of some people finding it difficult to maintain their concentration towards the end of a fairly lengthy meeting. Other signs of disengagement included fairly clear instances of people looking around the room, some cases of staring at the ceiling and people reading their papers when oral contributions were being made.

#### *5.6.3 The value of the observational data*

The observation of two governing body meetings at Civic university confirmed the generally positive impression of their experience conveyed by the members and attendees of that governing body when they were

interviewed. Nonetheless, during the course of each meeting there were varying degrees of engagement with the proceedings by those present. Executive attendees appeared more prone to lose interest in some items than members, but for the great majority of the time, most people seemed to be paying attention and listening closely to what was being said. The impression conveyed by consideration of meeting documentation (see sub-section 5.5.3), that around half the items in meetings of Civic university's governing body were items involving the receipt of information (including the standard preliminary items at each meeting), was shown by the observation process potentially to under-represent the amount of time devoted to information receipt.

It was also possible from the observation process to begin to identify individual members or attendees taking on particular personal roles, or types of role, within the group as a whole. For example, executive attendees with particular functional remits (e.g. the Directors of Human Resources and Finance) were reticent about speaking to items other than those in their professional area. Similarly, the student members clearly saw their role principally as commenting on subjects that were of direct relevance to the student body, but otherwise allowing the other people present to 'get on with it'. Taken as a whole, the observation process gave strong evidence of the importance of personal interactions to the governance process. It also provided support for the contention drawn from the study of meeting documentation that attention was paid to compliance with legal and statutory and obligations, and issues associated with risk assessment and



management, despite these roles not being highlighted in their interviews by governing body members.

Overall, the information obtained suggests that data from the observation of governing bodies may have significant potential for illustrating how governing bodies operate in practice. The data from Civic university also hints at the possibility of identifying different types of personal behaviour according to the backgrounds and natures of individual members and attendees, and how this might affect the interactions between individual governing body members. However, further meetings would need to be observed, and such observation would almost certainly need to be recorded in finer detail than was employed during the observation at Civic university, before additional analysis of this kind could be undertaken. I shall now turn to the data obtained from explicitly presenting governing body members and attendees with material about selected theoretical perspectives on governance.

## **5.7 Perspectives on selected governance theories**

### **5.7.1 *Eliciting explicit views about governance theories***

As noted in Chapter 4 (sub-section 4.3.3), at the end of most of the interviews of governing body members and attendees, the opportunity was taken to seek peoples' views on brief summaries of some of the principal characteristics associated with four theoretical perspectives on governance –

agency, stewardship, stakeholder and managerial hegemony – and the applicability of those perspectives to the operation of their governing bodies. These perspectives were selected as being amongst the most prominent theoretical positions discussed in the governance literature. They were presented to governing body members in the form of a two by two matrix (see figure 4.1, sub-section 4.3.3), and they were asked whether they felt any of the perspectives, singly or combined, might apply to the position of their governing body *vis-à-vis* their institution.

I had expected that relatively few, if any, governing body members would discuss governance theory spontaneously during their interviews. This expectation was borne out, and although a handful of individuals mentioned stakeholders, and one or two referred to the concept of stewardship, in none of these instances were these concepts raised as specific examples of theoretical perspectives.

#### 5.7.2 *Responses to the matrix of theoretical perspectives*

The governance theory matrix was presented to most interviewees, but time constraints around individual interviews meant that it was not presented to eight people, including all the interviewees at UniCollege. Most of the interviewees presented with the matrix spent between 30 and 60 seconds considering it, and then commented on it briefly and straightforwardly. For example, after about 30 seconds pause for thought, the totality of external Greenfield 7's comments was:

'Well, this [institution] is stakeholder. Yes.' (Greenfield 7, external, sub-committee chair)

Similarly, a student at CityMod university, after an even shorter period of reflection (about 20 seconds), said:

I think the two that are more relevant here are probably stewardship and stakeholder. And those are the ones that jump out more to me. (NewMod 7, internal, student)

As illustrated in table 5.11 overleaf, the majority of respondents felt that the concepts associated with the stewardship or the stakeholder perspectives were most relevant. Strong identification with the stewardship and stakeholder perspectives, with each given approximately equal weight, applied across five of the six institutions where the matrix was used (CityMod, Civic, ExCAT, Greenfield and NewMill universities). There was some recognition of the agency perspective as applicable to their situation by a minority of people at Greenfield, and of the agency and managerial hegemony perspectives by a minority at Civic university. The nature of the data, and the way it was obtained, militate against reading too much into these detailed variations, but the extent of the endorsement of the stewardship and stakeholder aspects of governance makes clear that respondents felt strongly that their boards were operating within the parameters associated with these perspectives, and that these were appropriate and positive parameters.

Table 5.11: Theoretical perspectives on governance

Institution/ interviewees	Agency	Stewardship	Stakeholder	Managerial Hegemony	General Comments
<i>CityMod</i>					
CMd2 (Int, VC)	x	x	√	√	Stewardship too passive. Ldr'ship more important.
CMd 3 (Exec att)		√√√			
CMd 4 (Stff)	x	√√√		x	
CMd 5 (Chr)	√	√√√	√√	√	
CMd 6 (Sec)	√?	√√√	√?	√	
CMd 7 (Stdtd)		√√√	√√√		
CMd 8 (Ext)	Willing to discuss but not keen on simplifying in this way, nor to allocate.				
<i>Civic</i>					
Cvc 2 (Stdtd)		√√√			
Cvc 3 (Ext)	x	√√√	√√	√	
Cvc 4 (Ext)		√√√			
Cvc 5 (Ext)	x	√√√	√√√	x	
Cvc 6 (Ext)	√√	√√			Comment that overall approach too simplistic
Cvc 7 (Exec att)		now √√√	now √√√	was √√√	
Cvc 8 (Stdtd)	x	√√	√√	√√	
Cvc 9 (Chr)		√?			None sufficiently 'forward-looking'
Cvc 10 (Stff)	√√	√√	√	√	
<i>ExCAT</i>					
ExC 1 (Stff)	x	√√√	√√√	x	
ExC 2 (Sec)		√√√	√√√		
ExC 3 (Chr)		√√√	√√√		
ExC 5 (Ext)	x?	√?	√?	√?	Not very keen to simplify like this
ExC 6 (Stdtd)	x	√√√	√	√	
ExC 8 (Int exec)	Felt all views too passive, but that stewardship closest if more active than term implies at face value.				

Table 5.11 (continued)

Institution/ interviewees	Agency	Stewardship	Stakeholder	Managerial Hegemony	General Comments
<i>Greenfield</i>					
Gfd 1 (Stff)	√√	√√√	√		
Gfd 2 (Ext)		√√√			
Gfd 3 (Int, exec)		√√√	√√		
Gfd 4 (Ext)	√	√√	√√√		
Gfd 5 (Stdtd)	√	√			Saw 'diluted' instances of perspectives indicated
Gfd 6 (VC)		√√	√√√		
Gfd 7 (Ext)			√√√		
Gfd 8 (Chr)	x	√√√	√√√	x	
<i>NewMill</i>					
NM1 (Chr)	x	√√√	√√√	x	
NM2 (Ext)	x	√√√	√√√	x	
NM3 (Ext)	Willing to discuss but did not find it helpful – all categories too static. Did not allocate.				
NM5 (Ext)	x	√?	√?	x	
<i>TownMod</i>					
TM1 (Stff)	5-10%	5-10%	ca 20%	ca 60%	
TM2 (Int, VC)	x	x	√√√	√√√	
TM3 (Ext)	√			√√√	'But my [personal] philosophy is stewardship.'
TM4 (Ext)		√√√	√√√		
TM5 (Ext)	Was willing to engage with the issue but felt it was too complex to distil, so no fixed conclusions offered.				

**Key:** Att = attendee (and therefore not member), Chr = chair, Ext = external member, Exec = executive, Int = internal member, Sec = governing body secretary, Stff = internal, staff (not executive), Stdtd = internal, student.  
x = explicit statement that indicated category is not applicable (as opposed to silence on the issue)  
√, √√, or √√√ = my estimates of degree of support for category indicated. Equal number of ticks in different boxes in a row indicates explicit statement by interviewee of equal weight of each category; different number of ticks equals explicit differentiation by interviewee between weights to be given to categories

**Note:** Interviewees not presented with the matrix are omitted from the list, as are the comments from one interviewee whose comments have been used only as background information (as explained in section 4.3.5).

In the case of TownMod university, it was striking that three of the four people who commented on the matrix identified the managerial hegemony perspective as applicable to their governance situation, particularly given that the three people expressing this view were an internal, non-executive staff member, an external member who was also the deputy chair, and the Vice-Chancellor. Although managerial hegemony is usually associated in the literature with board weakness, and the likelihood that board or governing body members will not feel satisfied with their lot, there was strong evidence from the interview data for TownMod university that governing body members did feel able to contribute positively to the governance of the institution. They also clearly felt the university was successful, and that it was well run by a well-regarded Vice-Chancellor. In effect, albeit on the basis of a small sample, it appears as though the governance of TownMod involved voluntary acceptance of managerial hegemony.

Apart from the variation from the norm at TownMod university, the other principal area of interest in Table 5.11 relates to those people who did not find the matrix helpful. As briefly indicated in the table, some interviewees felt that the issues involved were too complex to be captured in this way. For example, although external member Civic 6 ultimately selected the agency and stewardship perspectives as being the most relevant, he commented:

'The truth is clearly not at either extreme and will vary from institution to institution and from individual to individual. I think that's quite a useful way of thinking about it, except that ... it's relatively simplistic in the sense that, for example, the concept of self-interest is a very complicated one. Just demanding more for me today, may actually not be in my long term self interest, whereas acting in the interests of all the stakeholders may in fact be very much in my self interest. So it's a

slightly more complicated dimension than is represented just by that bit of paper.' (Civic 6, external, deputy chair)

An external at NewMill also did not find the matrix particularly useful. In relation to the agency and managerial hegemony perspectives, for instance, she reacted quite strongly, quoting some of the text from the matrix in her response:

"Board role to restrain/counteract perceived tendencies of managers to act in their own interest"! I mean, of course, but, you know, for God's sake don't let it get that far! "Assumes power of board is relatively limited" - you see, it isn't (*laughs*). I mean, it's a super balance, 'cos [the management] have all the knowledge, and they make the decisions broadly speaking, but at the end of the day, if the council says nyet, it bloody well is nyet!' (NewMill 3, external, sub-committee chair)

In addition, with regard to stewardship, she commented:

'I don't think, if you're maintaining the institution and its assets, you're gonna do anything. You've either got to make progress or die!' (NewMill 3, external, sub-committee chair)

After quoting further details from the matrix, she summed up her views by saying:

'Right. Terrific. And then you bin all of that and you get on with real life!' (NewMill 3, external, sub-committee chair)

In further comments on the matrix, the chair of Civic university, the Vice-Chancellor of CityMod and an executive internal at ExCAT all expressed the view that the choices in the matrix were too passive. The Vice-Chancellor at CityMod said, for example, that a perspective based on leadership was now far more appropriate:

'I mean, the stewardship one, you know, my argument is we're not about stewardship these days ... actually stewardship means you die. ... you've got to actually do more than that - you've got to not be stationery, you've got to develop is my whole view, right? ... I think

actually this is the difference between the leadership aspects as opposed to the stewardship aspects, and I think there's a leadership one, almost, in here.' (CityMod 2, Internal, executive, Vice-Chancellor)

However, as noted earlier in this chapter (sub-section 5.2.1), there was very little recognition across the interviewees as a whole of the idea of governing bodies playing a leadership role, so it is difficult to treat CityMod 2's views as anything other than an interesting outlier.

### 5.7.3 *Commentary on the use of the matrix*

Although the governance theory matrix was introduced into the data collection process somewhat abruptly at the end of relatively lengthy semi-structured interviews, most interviewees took it in their stride and were happy to consider it. All the respondents recognised the potential relevance of the material in the matrix, even if in a minority of cases they found some of the descriptions of different perspectives too simplistic. Most people associated their governing body with the stewardship and stakeholder perspectives, although the ready categorisation by three interviewees from TownMod university of their governing body as operating in line with the managerial hegemony perspective, but that this was not a problem, was striking.

## 5.8 **Conclusions**

### 5.8.1 *The principal findings in summary*

This chapter has presented summaries of the principal findings from each of the four types of data collected in this study. In the case of the



primary data source, the transcriptions of semi-structured interviews with governing body members and attendees, it has been possible to identify the interviewees' perceptions that a number of distinct governing body roles exist; it has also been possible to show how the respondents perceive a range of factors and issues that contribute, or are associated with, governing body effectiveness. The data in the form of meeting documentation, although not by themselves capable of directly addressing the issue of peoples' perceptions of aspects of governance, have been shown to provide relevant supplementary information about the ways in which governing bodies operate, that can potentially throw light on some of the views expressed by governing body members and attendees in their interviews. The observational data, although limited in extent, and again supplementary to the interview data, have also been shown to cast light on peoples' interactions and behaviours which can be compared to the descriptions of their activities in meetings offered by the interviewees. Finally, the data gathered when interviewees were presented with a matrix of theoretical perspectives on governance offer a route to an exploration of attitudes towards governance theory and its potential relevance to higher education governing bodies. All these data have, however, been considered so far largely in summary form. I shall now therefore review aspects of the data in more detail, and endeavour to analyse and interpret their meanings, bearing in mind in addition the potential implications of both governance theory and previous studies of governance.

## **Chapter 6: Perceptions of governing body roles**

### **6.1 Introduction**

#### *6.1.1 The variety of governing body roles*

The variety of governing body roles perceived to exist by governing body members and attendees was summarised in Chapter 5, and the degree to which different roles were identified on an institution by institution basis, and by different categories of governing body member, was reviewed. In the light of the relatively limited differences apparent when the data were considered on that basis, data relevant to each of the roles identified will now be considered in more detail. The bulk of those data will be drawn from the transcribed interviews with governing body members and attendees, but where relevant the data from the study of meeting documentation and from observation of governing body meetings will also be cited.

### **6.2 Challenging the executive management team**

#### *6.2.1 Common perceptions of external members*

The importance of challenging, and being seen to challenge, the Vice-Chancellor and his or her executive management team, was amongst the most clearly expressed views of the external members of governing bodies.

For example, a number of external governing body members made statements such as:

'[The role] is to hold them to account, and it is to challenge. It is to examine, I think thoroughly, proposals for change, obviously, particularly, proposals relating to the distribution of the money that's available.' (TownMod 4, external) <sup>1</sup>

'I think [the role is] asking questions, and listening very carefully to the answers – sometimes I think you need to challenge things. I think there's that kind of external reality check that lay members can bring.' (Greenfield 4, external, sub-committee chair)

'There's lots of small, you know, are you sure this, and what about that, and we didn't do that right, ...<sup>2</sup> but ... the challenging and the checking should be sort of a regular part of every decision, shouldn't it?' (NewMill 3, external, sub-committee chair)

Amplifying the basic position, other comments referred to seeking more detail, stopping things when necessary, banging heads together, making the executive uncomfortable, and being the ultimate blocker:

'The way we use [council] is, it is the ultimate blocker ... I see council as the ultimate restraint.' (Greenfield 8, external, chair)

### 6.2.2 *Challenge as seen by internal members and attendees*

Internal governing body members and attendees also made statements that supported the idea that the governing body was routinely engaged in challenging and scrutinising the executive, and that it was appropriate for the governing body to be doing this:

'I think the main thing that members of the board should bring is a sort of questioning approach. It's having someone who is that step removed able to ask some of the awkward questions, and sometimes

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<sup>1</sup> Quotations are attributed, by institution, to an individual governing body member. The type of member or attendee is indicated in accordance with Table 4.1 in Chapter 4.

<sup>2</sup> Text omitted in extracts from the transcripts is indicated by '...'

... what could be deemed quite naïve questions, but actually could be really, really important.’ (CityMod 1, internal, executive attendee)

Occasionally these views were expressed in terms that showed internal members differentiating themselves from the external members, as ‘we/us’ in contrast to ‘they/them’, despite their formal equivalence:

‘Something that they’re very good at is scrutiny of our strategy documents and things like that, because they do it in a completely different way to how academics do it, and that’s one of things that’s really struck me ... We just take a different way of looking at it ... from inside our own bubble, and it’s that kind of external view ... which is very, very important.’ (ExCAT 1, internal, academic, non-executive)

Other internal, non-executive staff members and students also at times gave the impression that they did not see themselves as entirely equivalent to the external members. This perception did not seem to cause them any concern, nor did they imply that they felt deterred from making their own challenges to the executive on occasion. There was, however, something of an implication that it was generally more appropriate, and perhaps easier, for the external members to pose some types of challenge (although, as indicated in sub-section 6.2.4 below, internal members did not always regard externals’ challenges as particularly appropriate or effective).

The descriptions by internal members of the nature of their role in raising queries and posing challenges were broadly substantiated by the observational data and, to a lesser extent, by meeting documentation. In the former case, the observation of meetings showed that internal members – both non-executive staff and students – were willing to make interventions that were challenging to the executive’s position, and to pursue those interventions even when executives’ initial responses were not sympathetic to the query

raised. In the case of the data derived from documentation, it was not always clear which type of member had raised queries or challenges recorded in the minutes, but occasionally it could be seen that internal members had done so.

### 6.2.3 *Changes resulting from governing body challenge*

Although challenge was often discussed in generic terms, governing body members and attendees also cited examples of specific instances of challenge that had led to changes. For instance, an external at Civic university described a challenge to the executive's approach to addressing disappointing results in the National Student Survey:

'Lay members in particular did feel that there needed to be a kind of ... a more accelerated move to having, say, [a] 90% satisfaction rate from students than perhaps the initial executive attitude ... You could understand why [the executive] would be giving it a longer time scale, because that was what from their experience and expertise they felt was reasonable, [but] certainly from my point of view, and others, this was a too leisurely pace, and so I felt that was an appropriate challenge ... which did have an impact – there were changes to the time scale to achieve [the agreed outcomes].' (Civic 5, external, deputy chair)

The perception of this external governing body member was supported by an internal executive attendee, who coincidentally brought up the same topic and confirmed that paying more attention to it due to the governing body's pressure seemed to have worked, since the university had 'moved from a pretty poor position to a somewhat better position as a result' (Civic 7, internal, executive attendee).

An example of a more generic kind of challenge was given by an external at TownMod university, who spoke about changing the institution's attitude to oversight of debt:

'I've realised my area's finance, and colleagues have got their own specialisms as well, and it's the idea that in certain areas you're not going to let things get past. The one I always challenge about is debt ... most HE institutions are so heavily geared nowadays, and the ratios are eye-wateringly bad, and we finally formed a debt committee – but I can't be on it because I'm chair of audit committee!' (TownMod 3, external, sub-committee chair)

Other instances of governing body challenge involved process and substance.

For example, an external at NewMill university described how:

'One particular instance [was when] ... we were buying a sizable property ... Now, I'm sitting there in a governing body meeting, but it comes up having not been in the papers and I think no, no, no, this can't be right. You can't surely buy and sell real estate save with the approval of the governing body, and if the rules don't say that, they bloody well should! ... So I express my views, relatively gently because the then chair was ... very determined that this was the right and proper way and was fairly resistant. And you could see the secretary's look of horror as she realised I was right.' (NewMill 3, external, sub-committee chair)

This last example (and a small number of other similar examples) can also be seen as reflecting a governing body role in ensuring probity and compliance with statutory and legal responsibilities. However, as noted in Chapter 5 (sub-section 5.2.1), this is a role expected of governing bodies in the formal requirements and guidance provided for the higher education sector by external agencies (see also sub-section 6.8.1 below).

#### 6.2.4 *Internal perceptions of the utility of governing body challenge*

So challenge is recognised by a large number of governing body members and attendees as necessary, appropriate and positive. It involves ideas of externality, and of being a reality check, thoroughness and attention to detail, but also consideration of big issues, occasionally creating discomfort for the executive, and sometimes acting as the 'ultimate blocker'. However, challenges do not always come from the entire governing body, or even the entirety of the externals. And in challenging proposals made by the executive, governing bodies are sometimes seen by internal members as being a challenge themselves. For example, an internal, executive member at Greenfield university, commented:

'The interest and challenge of council is that very often, you know, what we have is a vision of the way we want to take things forward, and ... in some cases [council's] a problem, and in some cases it's helpful and supportive. ... [A] very major example of that challenge ... was the point where we were finally deciding to embark on [a major project] and the council ... was both very supportive and very unsupportive ... So parts of the council were very, very concerned about [the project] in its entirety ... [and] I'm very conscious of ... what the council does and its capacity to be both helpful and very unhelpful on occasions' (Greenfield 3, internal, executive).

There can also be an issue with the effectiveness of the governing body's challenge. An internal, non-executive, staff member at Civic university referred in the following terms to a report on the prospect of introducing two year degrees:

'We all think [going for two year degrees] is an absolutely barmy idea, and that's basically what [the Pro-Vice-Chancellor] said ... but people round the table, the business people, didn't agree. You know, they thought, you're not really taking this possibility seriously enough, so they sent her away to think again ... but on the other hand I'm sure at

the end of the day we won't have two year degrees' (Civic 10, internal, academic, non-executive)

Another perspective on the meaningfulness of challenge was expressed by a student governing body member, also at Civic university, who commented on an issue where there was disagreement:

'I do think ... it was brushed to one side, like "Oh, we'll take that on board". [And] what [an external member] said was quite interesting, because that shows the attitude of a person on council. It's like "I don't really agree with this, [but] I know we can't change it", and the chair actually said "well, no, that's not necessarily true", but [to me] the perception [is] that things won't change if you disagree with them' (Civic 8, internal, student).

Further examples of issues being raised by internal members or attendees about the effectiveness of challenge by the governing body included concern that the externals might be too 'nice', and therefore too gentle:

'I think our governors are pretty good, [but] sometimes they could challenge more. I think they're all very nice people and, you know, you try to be very nice, but I sometimes think they could ask questions underneath the issues.' (UniCollege 2, internal, academic, non-executive)

and the feeling that the potential influence of the governing body was actually very limited:

'So I think there are sort of areas where they've got a sort of potential to nudge you, steer you, in a particular ... directions, but it's not sort of, erm, it's not what you'd expect of a commercial board, in theory, I don't think, it's sort of a bit different from that. It's, it's a touch on the tiller of the super tanker.' (Civic 10, internal, academic, non-executive)

The view was also sometimes expressed that the governing body was most unlikely to ultimately say no to a proposal:

'Council, quite properly, will ask hard questions about decisions that have been taken, but I've never in my experience got the sense that



council was anywhere near saying, no, this is completely wrong, go back and do something else.’ (Greenfield 1, internal, academic non-executive)

Even one of the board secretaries interviewed did not feel that the governing body could effect significant change:

‘Will [the board] really say anything that changes what we do? The honest answer is probably not. But what I think they will do is challenge us to make sure we are coherent. ... We’ve also got this ... consistent narrative in the organisation [about its] heritage and all of that stuff [and the importance of] how the organisation tells itself and reinforces its narrative ... and [whether] we want continuity or ... radical departure ... That sort of thing [the] board really can help with, but will they change fundamentally what we do? No they won’t.’ (CityMod 6, internal, attendee, not executive, secretary)

#### 6.2.5 *Concerns about challenge expressed by externals*

The preceding examples of concern about the nature or ultimate effectiveness of challenges by governing body members all came from non-executive internal members, or attendees. However, concerns about the effectiveness of challenging the executive were also occasionally raised by external members as well. For example, an external from TownMod university gave a specific instance of what he saw as the limits of the governing body’s capacity to affect things, and the frustrations that could then arise:

‘One of the things – it’s stupid – time-tabling ... that’s what institutions do, ... they put the right people in the right place at the right time. ... it’s not rocket, it’s fundamental, it’s sticking to the knitting, it’s core. ... If you can’t do time-tabling <splutters> ... that’s something as a board we just don’t know how to address. That really is management, pure management, and all we can do is rail against it, and hope that somehow the Vice-Chancellor and his team are going to do ... whatever they need to do. (TownMod 3, external)

Another external, this time at Civic university, had concerns about the wider implications of not being able to influence a particular decision:

'I think the role of ... the board or the council is to ensure that executives and the institution itself doesn't allow self interest to override its, both its legal position and its over-riding - particularly for a university - its long-term philosophical *raison d'être*, really, which is very important. I mean, I kicked up a huge fuss when we closed [a science] department, and I still do at almost every meeting ... where anything vaguely close to the topic comes up. And they always tell me, oh we teach lots of [that subject], we just do it as part of other courses, and I say that's fine, but eventually if you keep cutting things you will lose the point of being what you are. So, you know, it's not that I disagree with that one decision, I just think that you need to always, ... you know, you don't want the death of a thousand cuts. (Civic 6, external, deputy chair)

This led him to go on and express a broader concern about the changing nature of governance in higher education, and the increasing burden of responsibility being placed on governing bodies, which might engender:

'An environment of distrust between council and executives ... and it's really important that we don't do that, because at the end of the day, neither side can ever know everything about the other, or control the other, so you have to have that co-operative relationship of trust, and if that breaks down, executives will stop being open with information and then council will be unable to do its job. And I'm not saying that executives would do that because they've got some[thing] personal [to] gain from it, just because practically they want to get on with doing the job, and if that level of trust breaks down, they're not going to raise issues that are going to cause them problems. So I think that we need to be very, very careful that we maintain that, sort of, collegiate spirit that we're all in it together, and, and there are external pressures now which I think are making that harder.' (Civic 6, external, deputy chair)

Alongside the concern about the effectiveness of challenge, there is also an interesting reflection in the last comment about the inevitability of incomplete information – 'neither side can ever know everything about the other' – so that in this external's view openness, trust and collegiality become extremely

important. This perception captures something of the essence of a positive but realistic approach to governance that reflected the attitude of the majority of the people interviewed in the study.

#### 6.2.6 *The appropriateness and effectiveness of challenge*

Overall, therefore, challenge was seen as necessary and appropriate, and usually concrete and effective. At the same time it was sometimes seen as ineffective, and as making limited differences to outcomes, with this view most strongly expressed by internal members, but recognised also by at least some externals. Nonetheless, challenge was sufficiently often seen as effective that some people also felt that it needed to be counter-balanced or complemented by support, and I shall turn to this role next. First, however, it may be appropriate to revisit, and reflect on, issues of credibility and plausibility in the light of this first detailed presentation and discussion of some of the interview data.

#### 6.2.7 *Questions of credibility and plausibility revisited*

Although the range of views discussed above appeared genuinely held, and was certainly clearly expressed, it perhaps needs to be reflected on in the context of the expectations placed on governing bodies by external agencies such as the funding councils, and more general cultural expectations as to what governance is supposed to involve. Bearing in mind some of the tenets of institutional theory, it could potentially be the case that governing body members felt under pressure to describe themselves as providing robust challenge even when they were not doing so. Equally, however, it could be

suggested that knowing what is expected of them might prompt governing body members to behave in line with those expectations, and not merely to pretend to do so, or to elaborate the extent to which they do so. Here, as will be the case on all the occasions in this study when interview data is discussed, analysed and interpreted, one is dealing with a constructed world, rather than a straightforward description of a real world. Nonetheless, evidence from the other data sources considered, despite their secondary nature, suggests that governing body members' role descriptions are credible. I would suggest that their credibility is also supported by an underlying consistency in the ways governing body members and attendees describe their perceptions of governing body challenge, and that the plausibility of their views is then reinforced by the nature of the detailed variations in their responses.

As a further consideration, the interviewees' responses, in terms of their attribution of certain roles to their governing bodies, could in theory perhaps have been somehow prompted by the nature of my discussions with them. However, they were not, for example, asked whether they and their governing bodies challenged the executive, and if so how, but were instead invited in very generic terms to indicate what roles they and their governing bodies carried out. I am confident that overall my approach to the interview process was such that I did not impose on interviewees any preconceptions I may have had. Points such as these will be equally applicable on a number of occasions as further data are considered, and I shall therefore not repeat them each time such issues arise.

## 6.3 Supporting the executive management team

### 6.3.1 *The balance between challenge and support*

Challenge and support were linked by many governing body members as important and complementary roles. Indeed, it was clear that many external members placed rather more emphasis on supporting the executive than on challenging them. In some cases the idea of offering support extended to providing encouragement, and to helping the executive team to develop, both individually and collectively. Instances of governing body members explicitly mentioning both challenge and support together included:

‘I think my view is we are part of the same team, but ... the role we do is to challenge slightly more than we applaud’ (ExCat 5, external, sub-committee chair).

‘I think that it’s very important that the executive team are given the support that they need, but also the appropriate challenge that they need, in order to be as good as they can be.’ (Civic 9, external, chair)

‘The proper function of a governing body is to ask questions and to challenge and then to support, unless you feel there are really imperative reasons why you should not.’ (TownMod 4, external, deputy chair)

The importance of being supportive could also be couched in terms of the potential negative effects on executives if they were criticised too much:

‘Once the executives start to feel they’re coming [to meetings] just to be hammered, and to be criticised, then there’s a problem.’ (NewMill 2, external)

The same person also felt that there was a danger that if members of the governing body were too readily, or too often critical, the executive might become too cautious. The governing body therefore had an important role in

'enabling' the executive, and in making suggestions, or drawing attention to issues, in a developmental way:

'I don't think the role of the governors is to stifle the executive. ... The executives [can] become blinkered about certain issues, whereas ... the role of the non-executives is to look from the outside and see the wood from the trees, and say, well, look, there is something down there, but in a developmental and supportive way.' (NewMill 2, external)

However, there was also occasionally a suggestion that there were dangers in being too supportive:

'There is always a danger ... I've seen it a lot ... of members of Council going native. ... people who've come from the business world and things, they fall in love with it. It's lovely, so exciting ... it's really interesting. And then their critical edge gets dulled. It can be a booster, but part of the role is to be critical, is to be a critical friend, not just a boosting friend.' (Greenfield 2, external, deputy chair)

In a variation on the support theme, the need to support in particular the chief executive of the institution was also highlighted:

'I make it very clear that [the principal] is running the place, but he needs our support, and he needs feedback.' (UniCollege 4, external, chair)

Such support could, however, be qualified, as illustrated by comments of another chair, whose emphasis was on being supportive when things were going well, but who had a rather colourful way of expressing his willingness to hold his Vice-Chancellor to account if necessary:

'I see him ... privately once a month, and I spend the evening with him. Er, I will not have an officer there, I won't crowd him - as some other chairs do - I just won't crowd him. He's the chief executive, I'm a non-exec chair, I'm an unpaid non-exec chair, erm, and while it's all going perfectly fine, you know, one's supportive, but he knows that if it doesn't go perfectly fine, and he's in the firing line, he gets decked, he understands that.' (Greenfield 8, external, chair)

Apart from reinforcing the idea that being supportive and holding people to account were both important, this last comment also offers an interesting glimpse of the ways in which individuals' personalities and behaviour can be significant. This chair had a tendency to use colourful language and gave the impression of wanting to present a robust and combative face to the world. Nonetheless, the views of other governing body members at Greenfield university, including the Vice-Chancellor, suggested that the chair was well-regarded, and that his attitudes and style appeared to fit the particular context in which he was operating. The question of the importance of individual behaviours and interactions will be returned to below (sub-section 8.3.3).

#### 6.3.2 *Ways of providing support*

Another way in which some governing body members felt it was important to be supportive was in relation to sub-committees and their interaction with the governing body. Describing how particular items of business were dealt with, the external who chaired the finance committee at UniCollege said:

'A finance paper, of whatever sort, will be introduced by the director of finance, and then depending on – you know, is it simply a report to note, is it something that's slightly difficult, is it something that's really difficult – depending on where we are on that scale, usually the chairman will ask me ... do I want to add anything. And there are times when I actually have added quite substantially, and other times simply said, well no ... I support what he says. And I think that's quite important actually, that an independent member of the board is actually supporting the member of the executive to the full board.'  
(UniCollege 3, external, sub-committee chair)

At Civic university, support was also associated with the idea of the governing body and the executive working together to help the institution succeed:

'Here I've seen that council and the ... executive board working together have actually been able to move this university ... forward quite substantially in a fairly short space of time ... by sharing a vision, by working together on issues, by the executive being ready to share its ideas and to be open to new ideas.' (Civic 4, external, sub-committee chair)

A deputy chair at the same institution referred to the governing body being supportive in a more general sense, through the provision of overt support for the university, and its mission. In doing so he made reference to the potential leadership role of the governing body, a concept otherwise raised by hardly any of the people interviewed during this research, a point which will be returned to below (sub-section 6.8.3):

'Council can have a leadership role ... a complementary leadership role. ... It's not the executive and it shouldn't seek to be ... but it can have role, as I say, [that is] complementary ... [and] supportive to the direction, the vision, the mission. ... It's about supporting the tone, the being of the university – what is it? ... A leadership role in terms of what is best and of the best for the university.' (Civic 5, external, deputy chair)

### 6.3.3 *The views of executives*

In the case of members of the executive, whether board members or attendees, there was some evidence that they felt supported, although this was less explicitly expressed than by the externals who were doing the supporting. An executive attendee at CityMod university spoke, for instance, of how:

'If [an] idea seems sensible, and there's a rationale for it, and the board senses the executive have talked it through, and have done the work



on it, and really think it's in the best interests of the institution, the board would generally back us. ... I suppose what I'm saying is there is a high degree of trust by the board in the executive.' (CityMod 3, internal, executive attendee)

Also referred to was the idea of a sense of cohesion, and of successful working together between the governing body and the executive, and a capacity to cope well when there was disagreement:

'There's something about our council that works quite well really ... even though it's dealing typically with extremely thorny and important matters, it has generally dealt with contention very effectively. [This] may be some kind of comment about the university, because the university [is] quite a harmonious place, ... it is not a place where people go to posture or contend' (Greenfield 3, internal, executive)

Another way of considering the governing body's role in relation to the executive was, according to the Vice-Chancellor at TownMod university, to ask:

'After each board meeting or committee meeting, did it add to our energy as an executive, or was it a Death Eater<sup>3</sup> experience – have they sucked all the life out of the executive. (TownMod 2, internal, executive, Vice-Chancellor)

Even if a meeting had left the executive 'not where they wanted to be', it was still possible for the executive to be motivated and to say 'right, we'd better get on and sort this out', or 'we'll show the blighters'. Overall, it was important for the board to recognise that:

'They are charged with making it happen, so they have to be conscious of energising the senior team, as much as anything else.' (TownMod 2, internal, executive, Vice-Chancellor)

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<sup>3</sup> Death Eaters occur in the 'Harry Potter' sequence of novels by J K Rowling. They are the enemies of Harry Potter, led by his principal antagonist, Lord Voldemort. The idea of the life being sucked out of people is however more accurately associated with another category of characters in the novels, the Dementors.

#### 6.3.4 *Support and challenge*

Taken as a whole, support was certainly seen as being at least as important as challenge by many governing body members. This was clearly the view of the external members, with many of them seeing their role as being to support the executive whenever possible. Internal non-executive members and students did not see a strong role for themselves in providing support to the executive, but they recognised this as a significant role for the external members, albeit expressed primarily in terms of the externals supporting the institution, rather than the executive *per se*. Executives, whether members of the governing body, or attendees, also recognised the support provided by external members, and its importance in contributing to the development of mutual trust and a capacity to work well together. Occasionally, executives appeared to have an expectation that they would be supported, but only if they deserved to be, as illustrated by CityMod 3's comments above. It is now appropriate to turn to the provision of advice and guidance by governing body members.

### 6.4 **Providing advice and guidance**

#### 6.4.1 *The nature of advice and guidance*

The third governing body role clearly identified by the interviewees in the study was that of providing advice and guidance to the executive. Doing this will of course normally be supportive, but almost all the respondents appeared to conceive of the provision of advice and guidance as separate

and distinct from the more generically supportive role discussed in section 6.3. Providing advice and guidance was seen primarily in terms of the deployment by individual governing body members of their specific expertise and specialised knowledge, although in some cases it was perceived to relate more generally to the weight of an individual's overall influence and experience, both within and outwith the institution.

In many cases the advice and guidance role was identified straightforwardly and generically:

'[The council] has an important role ... acting as a source of advice and ideas. ... The role of being a friend and a guide ... having a joint responsibility, feeling a joint responsibility for the running of the organisation.' (Civic 4, external, sub-committee chair)

'They're people who have influence in the fields where we need advice, so they know what they're talking about, and can fight our corner. ... so I think they do make a difference, because ... they're essentially friends to the university and the information they can give us is quite, quite critical.' (ExCAT 1, internal, academic, non-executive)

The emphasis above is on direct input from external members. In some cases this type of input was linked to external members' business backgrounds:

'Going back to the fact that the university is doing quite a lot of building ... [it] could be spending hundreds of thousands of pounds on buying in expert advice, which it seems largely to get for free because the people who sit on council who have that kind of expertise seem very happy, actually, to offer it and share, give it to the university ... it seems to me that must give the university quite a lot of confidence in what it does, that it has some, obviously, really quite high-powered people, who it's not employing, but whose skills and knowledge it's drawing on.' (Greenfield 1, internal, academic, non-executive)

The stress here is around the university making use of external members' specific knowledge or expertise, and this was also the facet of the advice and guidance role most often focussed on by the external members themselves:

'I've always been impressed when board items come up in the round, [and] one or two people actually know [about the subject], board members who know this and can actually talk to it. ... [For example], our deputy chair, he's very, very big in ... education ... and things will come up about bringing in sixth formers and things like that, and of course he can talk very knowledgably about these things, extremely so. ... In my case I like to think I can talk reasonably sensibly about accounting and finance issues.' (TownMod 3, external, sub-committee chair)

'My background ... was very much in environment and sustainable development, and I'd thought for some time that UK universities were actually missing out on this – that there were niches to be occupied. And ... I set about, right from the beginning, with [the chair's] approval ... to look at what role [the university] could play in this area.' (Civic 3, external, sub-committee chair)

#### 6.4.2 *Input from internal, non-executive staff members*

The value of advice and guidance from internal, non-executive staff members of governing bodies was also recognised. The internal, non-executive members themselves generally felt able to contribute freely, and they were perceived by both externals and executives as having the capacity to contribute usefully to discussions. The main focus of their input was seen as being in the provision of information and insight in relation to academic issues, and they were sometimes regarded as being able to provide an alternative or corrective view to that provided by the Vice-Chancellor or the executive more generally. The Vice-Chancellor at Greenfield university saw input from the non-executive internal members in these terms, and also saw it as a good thing:

'They can certainly keep us on the straight and narrow in terms of remembering that we're an educational institution ... we don't really have an issue with that, but if the executive did start forgetting what the point of an education institution is, having the staff there would make a huge difference. And ... it gives the lay members comfort if they hear [the views], as it were, of ordinary [staff], because there are professorial and non-professorial members and somebody from the support staff, so you get these different views coming in.' (Greenfield 6, internal, executive, Vice-Chancellor)

At CityMod university, the board secretary felt that the external members of the institution's governing body had a particular interest in the views of the non-executive internals, so that those views were often actively sought:

'The board does actually like to hear the academic perspective – sometimes they invite it, they ask for it. But they definitely [want to hear it], and ... it's so important that the board believes it has a way of hearing an alternative voice.' (CityMod 6, internal, attendee, not executive, secretary)

An internal at Civic university made the point that for some external members their only contact with staff members was with those on the governing body.

She added:

'Many of them are very interested ... many of them have said to me they do appreciate hearing the staff's position. And I know that ... I have an expertise and a kind of insight into the running of the university they will never have.' (Civic 1, internal, academic, non-executive)

The importance of input to the governing body from academics was also stressed by externals at Civic university, with one of them commenting favourably on how helpful it was to have academics on the governing body, because 'every now and then [they] bring everybody back to reality' (Civic 3, external, sub-committee chair).

#### 6.4.3 *The students' views*

The presence of student members on governing bodies was universally welcomed, and the views expressed about the value of their contributions were generally very positive. The range of those contributions was, though, seen as being mainly confined to issues perceived as having a direct impact on the student body. External members commented:

'It seems to me ... legitimate for the board occasionally to turn to [the] student rep and say, give us a flavour of how you think this is going to play with a particular group. ... Saying, were we to do this, ... were the Vice-Chancellor to go forward with this, what do you think the student reaction [would be?] (TownMod 4, external, deputy chair)

'The student union president has always found that they are, really, the student voice. And that's been quite useful at times, because when we've been doing things we've been able to say, well, what about this, and this, and this?' (NewMill 1, external, chair)

Internal executive members and attendees similarly registered the positive impact of student members on the governing body:

'The representation of the student body on council has been effective, and I know that council, particularly lay members of council, do listen, [do] take very seriously what the student member says – sometimes one might say to excess, really. But there is a desire to listen to that.' (Greenfield 3, internal, executive)

Finally, student members themselves also highlighted the extent to which their views were sought:

'I didn't realise ... how much people wanted to listen to actually what the students had to say. I always knew that the student opinion was going to be important, but when you've only got two student members versus an entire committee, most of whom were staff, were senior businessmen, when effectively they are older and wiser ... they know a lot more about the world ...but apparently what they don't know about is actually the students on the ground, which is actually where student [members] fit in quite nicely.' (ExCAT 6, internal, student)

However, some students alluded to the fact that they found it difficult to take a view on some topics, due to their lack of experience in comparison to the external members. For example, a student member of the governing body at Civic university said that it was:

‘Really difficult as a student member to feel as knowledgeable and capable as ... all the other people there. It’s quite a difficult thing, and I do spend a lot of time thinking, oh, I wish I knew something clever to say on this. But you just don’t have ... such a wide range of knowledge on so many [issues]. (Civic 2, internal, student)

But she went on to stress that she felt nonetheless that:

‘You can make really valuable inputs on things ... they do listen to us ... [and] take what you say seriously.’ (Civic 2, internal, student)

#### 6.4.4 *Ways in which advice and guidance is given and/or sought*

Advice and guidance are, then, regularly offered by the governing body and its individual members through the routine and continuing interactions that occur in governing body meetings. Sometimes, in addition, governing body members are asked for explicit input in other formal settings, such as away days. Thus, one external commented:

‘I was asked to give an input to the board on an away day about schools, and I chose to major on both the development of pedagogy and ICT, and my view that because the national agenda had driven the improvement of pedagogy at under sixteen, ... some sixth formers ... were now complaining about what they got, because they were used to rather more exciting lessons than they were now getting. I put on the table the fact that [the university] might be facing this ... a couple of years down the road.’ (TownMod 4, external, deputy chair)

External members also referred to providing advice and guidance in less formal situations. For example, an external at Civic university explained that:

‘I also feel I get called upon to give advice on certain things – people ring me up and ask me things or whatever – and I’m quite happy to do

that. I think ... the most effective work is done that way.' (Civic 4, external, sub-committee chair)

The availability of advice and guidance from governing body members on an informal and *ad hoc* basis was also recognised and valued by executives, such as the Vice-Chancellor of CityMod university:

'Another important part to me, is to be able to contact colleagues on the board when we have a particular issue ... and happily use them to support the development of the institution. Again, we do that extensively here. ... I regard [it] as supplementing [the executive] from their own skill set. So, we have someone on [the board] who's particularly used to regeneration projects, so clearly he's operating in [that] area. [And] we've a couple who are linked to political parties – not that they're [on the board] for that reason - ... but they have [those links] and therefore we can use those at appropriate times, right? And I could keep going ... we've got financial people and other people.' (CityMod 2, internal, executive, Vice-Chancellor)

#### 6.4.5 *Recruiting external governing body members for their specialist skills, experience and knowledge*

A corollary of having external members with a variety of useful skills, experience and knowledge, is careful selection of those external members. At Greenfield university, for example, the chair commented:

'When [someone] retired I was able to recruit a very proper mandarin ... [as an adviser about] government. ... [And with] government debt, I asked him to consider it and come back and tell us where it was likely to be ... and he [gave us very good advice] that put us very much on our metal, because we could see [the present issues] coming.' (Greenfield 8, external, chair)

The chair at ExCAT university addressed the question of governing body members' backgrounds and expertise more generally, stressing the importance not just of their knowledge and skills, but also of their personalities and behaviour:



‘Each time we look at an appointment - we’ve mapped out a capability and behaviour matrix - and as people move off council we look at the blend of experience and capabilities around the table and say, OK, what are we missing. ... [It’s] important that you get the right balance of people around the table – a diversity of people with their experience and their ideas. ... I’d want some visionaries ... but I’d want some action people too ... and a balance of behaviour as well as experience.’  
(ExCAT 3, external, chair)

TownMod university’s Vice-Chancellor spoke in similar vein about having a ‘blueprint’ setting down the skills they wanted, such as ‘finance, estates, blah, blah, blah, the a, b, c’ but stressed that overall:

‘Ability is the choice number one, above all else, because what you don’t want is a national numpty, or a local numpty ... that’s not going to help at all.’ (TownMod 2, internal, executive, Vice-Chancellor)

There was, however, occasionally a perception that a focus on the specific knowledge and skills of external governing body members could have a downside. Sometimes this was in terms of people only relating to their governing body role in terms of their prior experience:

‘In my experience there are some individuals who bring their own experience to council and nothing else. So if a [specific] topic comes up ... ‘Fred’ will always engage [with it], but beyond that he doesn’t.’  
(ExCAT 3, external, chair)

In other cases, reliance on an external’s advice and guidance was perceived as potentially blurring the governance-management boundary. The board secretary at UniCollege, for example, while highlighting the benefits of using external members’ expertise, also saw the potential for problems to arise:

‘We did have an architect as a governor for some time, and we recruited him really, specifically, [because] we’d been redesigning [part] of the campus ... so we did use him. [But] I think that was one of the areas where I felt it was getting off governance and going to executive areas a little bit, but nonetheless we’d invited that.’ (UniCollege 1, internal, attendee, not executive, secretary)

External members were, however, perfectly capable of recognising and endeavouring consciously to avoid this type of difficulty:

‘I think anybody can be passionate about anything, and then you sort of think, oh, I could really solve that one, just let me at it. There are times when I’m very tempted to say, let me at it ... because I know it’s my expertise area ... but that’s not our role, and you’ve gotta remember that, and so you need to make sure you’re tempering your language and your advice accordingly.’ (TownMod 5, external, sub-committee chair)

#### 6.4.6 *External members’ understanding of higher education*

A particular issue raised by some executives related to their view that there were limits to the extent to which externals could contribute unless they understood enough about higher education or were a ‘fit’ for the culture of the institution:

‘I think one mustn’t imagine that because somebody is extremely successful in one field, whether that’s public sector or [not], that means they really do have an understanding of the business of universities, because it is extremely complicated ... universities are like that, it’s like cricket, you’ve kind of got to grow up with it to really understand.’ (Greenfield 6, internal, executive, Vice-Chancellor)

‘We do try and choose governors who will be a cultural fit – not unquestioning, but who think that, who share our belief that, education is actually one of the best routes to economic mobility.’ (ExCAT 4, internal, executive, Vice-Chancellor)

Nonetheless, there was a strong overall perception that governing body members were keen to be used by their institutions as sources of advice and guidance, and to have more involvement in the life and work of their institutions, leading to reflections such as that of an internal, executive governing body member at ExCAT university:

‘I think what we need to do, and we’ve started working on this already, is get more out of these people. And they want to have more taken out

of them, [and] they want to have ... [more] roles with respect to the university, mentoring projects, or helping us with specific challenges and so on ... it makes their engagement with us a bit more meaningful, not just coming for the meeting and going away.' (ExCAT 8, internal, executive)

#### 6.4.7 *External members with experience of the higher education sector*

One way of ensuring that external governing body members have a good understanding of higher education is for some of those members to be drawn from within the sector, as either current or former practitioners. However, in contrast to the situation normally obtaining in the governance of private sector businesses, where non-executive board members very often have previous experience in the same commercial or industrial sector, relatively few of the external governors in higher education institutions have worked in higher education. When this issue was raised with interviewees, it was clear that the relative absence of external members with such expertise had not struck many people. For example, an external at Civic university commented:

'I know exactly what you mean, and I think it is an interesting issue actually – it's not one that I've pondered before. First of all you're quite right that in the private sector typically non-execs are recruited because they have specialist expertise. I think sometimes in private sector boards it might be quite useful to have, as it were, wild cards. If you look at what's happened in the banking industry, a lot of the problem is that all the non-execs thought like bankers, and actually if they'd just put some normal person with a bit of common sense [on the board] they might just possibly have seen through some of the issues.' (Civic 4, external, sub-committee chair)

The same external went on to raise the idea that was most often put forward as an argument for not having people with higher education backgrounds on

governing bodies – that a current Vice-Chancellor might feel threatened – although he thought that the benefits would probably outweigh any drawbacks.

In one of the rare instances of an external with extensive experience of higher education, she seemed to see herself as an exception, and regarded routinely having external members with higher education backgrounds as potentially inappropriate:

‘I think I’m quite rare, because there aren’t actually very many people who could be in my category, because to have worked inside [one] university and then become a lay member of council in another one is probably not so appropriate.’ (Greenfield 2, external, deputy chair)

The Vice-Chancellor at Greenfield was, however, more positive about the idea. Commenting in the then recent context of governance failures at London Metropolitan University, he said:

‘If you think about London Met, and what went wrong there, they had some extraordinarily high-powered people on their council who’d run massive corporations and really knew about money, etc. What they didn’t have ... was someone like ... an ex-Vice-Chancellor, somebody who’d operated at a high level, or an ex-PVC of learning and teaching, or somebody like that. Or even a present one, although that might be a conflict of interest, I suppose. But anyway, somebody who knew a lot about higher education, because anyone like that would have ... seen completion rates of 3 per cent, and they’d have thought ... how on earth are we doing that? ... Now that’s a perfect example of where the captain of industry or the banker, or even possibly the arts administrator ... they’re simply not going to know, and if you don’t have people on council – and this is certainly a lesson I’m going to draw ... - who have operated at a high level in higher education, you are taking a bit of a risk really.’ (Greenfield 6, internal, executive, Vice-Chancellor)

Elsewhere, the Vice-Chancellor of CityMod university suggested that he would personally benefit if he had a person on the board with experience of working in higher education, as they would be someone for him to talk with. He contrasted his position with that of chief executives in other sectors, who were more likely to have non-executive board colleagues with a background akin to their own:

'In most commercial environments ... the chief exec has someone to turn to, to talk to, about the business, who understands the business. This sector is very different. The chief exec doesn't have anyone to talk to about the whole business, and that's, pretty well, a very unique feature across this sector, and where do you go? Who do you talk to? I find the cat and dog more sensible than most!' (CityMod 2, internal, executive, Vice-Chancellor)

In contrast, the board secretary at CityMod did not feel that it would be particularly useful to have external members with higher education backgrounds, and suggested that it would be 'difficult for a VC to have a former VC sitting on their shoulder'. She added:

'I think if you've got a non-executive board, which is clearly what we've got, then the argument for having ... former VCs is actually quite weak. That's to me not really what you want of your board. There are plenty of other ways in which, if you want advice about how you approach something, from people in your own sector, you can get it.' (CityMod 6, internal, attendee, not executive, secretary)

Other potential problems cited by governing body members and attendees included the danger of 'tokenism', potential difficulties around inter-institutional competitiveness, and the fact that a retired person would in due course lose their currency.

The views expressed about having external members with experience of having worked in higher education experience were ambivalent. Some

members, both externals, and internals, thought it might be useful. However, many people saw drawbacks and cited examples of difficulties they thought would arise. Overall, the idea was only supported in principle by a minority of governing body members, albeit amongst those endorsing the practice were three of the four Vice-Chancellors amongst the respondents.

#### **6.4.8 *The importance of advice and guidance***

The provision of advice and guidance by governing body members was clearly perceived by all categories of interviewees, and across all types of institution, as an important and distinct governing body role. Although the external members were seen as the most important providers of advice and guidance, and as the members able to offer advice and guidance on the widest range of topics, non-executive staff and students were also perceived by all those involved with governing bodies as having important, if narrower, roles to play.

### **6.5 Linking the institution to the outside world**

#### **6.5.1 *The nature of potential links with the outside world***

In fulfilling the advice and guidance role discussed above, external governing body members were often perceived as doing so through deploying the expertise or knowledge derived from their backgrounds, and from the professional or other groups they had connections with. It was also common for external members to act directly as links with such professional or other groups, and with their networks of personal contacts, the intention being to

mobilise their influence on the institution's behalf. A subsidiary feature of this role, more prominent in some institutions than others, involved a stress on the importance of striving to use external influence and contacts to defend institutional autonomy versus the government or the funding council. It was also possible for the external profile of a governing body member to enable them to fulfil a more general ambassadorial role. In this respect, there was a focus in some institutions particularly on external members' engaging with local communities. There were also instances of governing body members engaging in more generic promotion of their institutions.

#### 6.5.2 *Networking and linking the university to the outside world*

Representative examples of how externals saw their role in providing access to networks of external contacts were as follows:

'I think I'm bringing a network of various contacts into the university, and I think, I suspect that all the others feel the same way.' (Civic 4, external, sub-committee chair)

'I think ... certain council members are particularly valuable in their networks and connections, and they can add [value] in that direction as well. (ExCAT 5, external, sub-committee chair)

An example of linking the university with its local community was given by an external at TownMod university:

'That's where the business about your place in the outside world, outside the university, is quite important. I am able occasionally to say to the governing body, and to the executive, that this isn't something that will play well with schools in the town, or in the county. Or I can say, ... this is the perception we're getting from the outside.' (TownMod 4, external, deputy chair)

There was a sense from external governing body members that it was perfectly appropriate for the university to expect them to provide access to

their contacts. The benefits of their doing so were clearly perceived by internals, particularly Vice-Chancellors:

‘The group of stakeholders they are extremely helpful with, umm, tends to be the external, you know, local government, government, parliament particularly. We actually get, we actually try and look for people who will help us in terms of routes into parliament and so on. And all the other normal external stakeholders you’d imagine - funding bodies, you know, the RDAs<sup>4</sup>, all that sort of thing.’ (Greenfield 6, internal, executive, Vice-Chancellor)

A non-executive internal member at Greenfield also thought the externals were very effective at linking the university to the outside world:

‘There are very effective links out through the council from the university to wider communities. ... And I guess some of those are accidental because you’re only going to be able to draw on people who live relatively close to the university, so it’s partly serendipity. But I do get the impression that ... the council is effective in various ... areas linking the university with various parts of the outside world.’ (Greenfield 1, internal, academic, non-executive)

### 6.5.3 *Acting as an ambassador*

Another strand of the governing body’s role in this area was expressed in terms of being more explicitly ambassadorial, and representing and promoting the institution to the outside world. This role was described by an external at UniCollege:

‘I think also part of our role, particularly in an institution like this, is as – I hate the word – champions – because it was over-used a few years ago. Being people who can be a sort of public face to the institution. I don’t mean necessarily standing up on platforms and beating the drum for your body, but nevertheless being able to say in a conversation, I know about that. And it’s surprising how often that actually comes up, where the subject of HE, in whatever guise, comes up, whether it’s at a

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<sup>4</sup> RDA = regional development authority



dinner party, or in my other various roles.' (UniCollege 3, external, sub-committee chair)

The value of externals acting as ambassadors for the institution was also recognised by internal non-executive members:

'I think another very important role that they play is in kind of helping to manage, and helping inform how we manage, the external perception of the university, and some of our council members, our lay council members, are very good at that ... their ambassadorial skills are very important.' (ExCAT 1, internal, academic, non-executive)

An example of specific benefits that could arise from governing body members' acting in an ambassadorial role was cited at NewMill university, in the context of the institution's progress to university status:

'At [the] time when we were seeking to grow from our college roots, [and] achieve university status, award our own degrees, by far the most important role of the council [was] as advocates and ambassadors for the university. And the council as it was then, and to an extent now, contains many people who are very well placed to play that role.' (NewMill 4, external)

Occasionally there were signs that institutions took steps to support external members in acting as advocates. At UniCollege, for example, 'dinners for the great and good' of the area were arranged:

'The governors are deliberately involved in that, to get know each other as well as outsiders. So are the governors representing the university college outside? Yes they are. Are they champions for it? I'd like to think they are.' (UniCollege 4, external, chair)

However, such a deliberate approach to using external governing body members as ambassadors appeared relatively rare, as illustrated by an external at Greenfield university who commented:

'I have occasionally represented the university outside, but not very often. I think probably the university could use lay members more.' (Greenfield 2, external, deputy chair)

#### 6.5.4 *Defending institutional independence and institutional accountability*

Alongside the general promotion of the institution and its interests there was, as already indicated (sub-section 6.5.1), a subsidiary strand concerned with defending the institution against outside interference. This was perhaps most clearly expressed in the following quotation, although the interviewee in question thought her views would probably not be shared by her colleagues:

'I would see the role of council, though I don't think most council members would, as defending the university against outside interference. The council isn't answerable to anybody outside, and shouldn't put itself in a position where it is implied that it should be, in my view. It's this business of HEFCE being able to dismiss a council. I think one of the roles of council insufficiently emphasised at the moment is the defence of academic freedom and the defence of institutional autonomy.' (Greenfield 2, external, deputy chair)

She went on:

'Not only do I think it's possible [to defend institutional autonomy], I think it's terribly important that it should be done. Political interference with universities is a real, real threat, and it should be resisted. [But] ... I think if I were to say this, they'd all nod and carry on to the next item on the agenda. I don't think this is a preoccupation of many governors.' (Greenfield 2, external, deputy chair)

Another view was offered by the chair at Civic university, who appeared to approach the same topic with more explicit pragmatism:

'The best way to be independent is to show you can manage your affairs properly, ... that you do your business effectively and well, and that you pay regard to those who are studying with you, ... and you really give thought to ... what you're good for. These are things which will enable you to keep your independence, because other people can look at what you do and say, that's absolutely fair, that place should be able to get on with doing what it's doing in the way that it's doing it. But I think anybody who thinks that the world has always been free is living in cloud-cuckoo land.' (Civic 9, external, chair)

Issues of institutional accountability and autonomy will be returned to below (see sub-section 8.5.3)

#### 6.5.5 *Overall benefits to the institution*

By way of an overall summary of the role of the governing body in relation to institutional links with the wider world, and the implications this might have for the nature of the external members on the governing body, the comments of the Vice-Chancellor at TownMod university were perhaps the most apposite:

'Universities' boards must be a combination of local and national, and if possible international, because – particularly [at] institutions like this – you're clearly rooted in your local community, but it would be a disaster if your entire board is – [and] this isn't intended to be demeaning – local worthies, that would be no good at all. You need a mixture of national figures, because they've got to hold a torch for you in that national agenda and they've got to be demanding of you, in terms of that national and international agenda. And equally it would be wrong if you were doing that at the cost of ignoring your locality.' (TownMod 2, internal, executive, Vice-Chancellor)

There is therefore a need for governing body members to connect the institution to the wider world at both local and national levels, and, if possible, internationally as well. They also need to be well-regarded and reasonably well-known within relevant groups – political, professional or commercial – at appropriate levels. External governing body members can then undertake activities ranging from communicating with and reassuring a local community about an institution's plans or intentions, to promoting the institution and its reputation and worth more generically. At the same time they can seek to help the institution influence opinion-formers and policy-makers, and to benefit from the input and advice of such people.

## **6.6 Strategy**

### *6.6.1 The governing body's role in relation to institutional strategy*

The next area to consider in this review of governing body roles concerns institutional strategy. There is widespread reference to the strategic role of boards and governing bodies in codes of practice and other guidance documents (see sub-sections 3.2.3 and 3.2.5). The issue of strategy has also been paid significant attention in previous studies (see sub-sections 3.7.2, 3.7.3 or 3.7.6). It is therefore not surprising that the governing body members and attendees who participated in this research saw themselves as involved in consideration of institutional strategy. For many external members, playing a role in the development and oversight of institutional strategy was the first governing body role that came to mind. There was, however, quite strong variation in how the governing body's role in this regard was perceived from institution to institution. In a few instances, interviewees ascribed primacy in strategy development to the governing body. More often, there was perceived to be a degree of equivalence in the roles of the governing body and the executive in relation to the development of institutional strategy. Finally, there was sometimes a perception that the role of the governing body was secondary to the role of the executive.

### *6.6.2 The nature of the role*

The governing body's role in relation to strategy was sometimes described in the context of making a distinction between governance and

management, and using this to contrast the governing body's role with that of the executive. For example, an external at TownMod university said:

'It's easy to use the word strategic, but it's clearly not our job to run the place – that's what we pay a Vice-Chancellor and a senior team to do. So it's not day to day management ... or indeed the generation of ideas around the everyday running of the institution.' (TownMod 4, external)

A similar view was expressed by an external at Civic university:

'[The council] has to take a strategic view, and I think that's the most important thing. It has to be ready to stand back [and] let the university get on and run its own affairs, but to take a strategic vision of where it stands, and what it's actually trying to achieve, where it wants to go and where it is now.' (Civic 4, external, sub-committee chair)

Other interviewees did not make an explicit contrast between the strategic and the operational, appearing to take the difference as understood. Instead they spoke in terms of the council's role being:

'To discuss, agree and set, with the Vice-Chancellor, the strategic direction for the institution'. (ExCAT 4, internal, executive, Vice-Chancellor)

The governing body secretary at ExCAT stressed the importance of the governing body's role in the updating of the institutional strategy, which was under way at the time this research was being undertaken. He spoke of the executive initiating the discussions, and how:

'Council will have a key role to play ... not just in terms of receiving a pretty well worked-up strategy for them to sign off at the end of the process, [but through a] strategy away day with them and with senate ... right in the middle of the process of developing the ... update'. (ExCAT 2, internal, attendee, not executive, secretary)

In the last two quotations, a Vice-Chancellor and a secretary saw their governing body as closely involved in helping determine the institution's strategic direction, but the process as being initiated by the executive. At

CityMod university, strategy development was also seen as being led by the executive, and firmly subsumed within the institution's corporate plan. An internal member described how the governing body was involved:

'We had a board away day ... [and the corporate plan] was gone through in detail. The draft was challenged in terms of content, phraseology and things like that. And the background information was given to the board so they could understand where [things were] coming from.' (CityMod 4, internal, non-academic, non-executive)

An external at CityMod saw the same process as follows:

'Our two day away day ... is another place where we can ... road test the corporate plan ... and pick up certain key topics and ... say ... what do we think are the key topics going forward, that we have got to look at.' (CityMod 8, external, sub-committee chair)

The role of the Principal (in this case) in preparing an initial version of the strategic plan was highlighted at UniCollege:

'We're coming up ... to our strategic away day ... everybody comes to set the strategic direction of the institution, because we have a plan, we have a strategic plan which [the Principal] has written, but it was subject to scrutiny from the first draft.' (UniCollege 4, external, chair)

The Vice-Chancellor and the executive also appeared to take the lead in strategy development at TownMod university.

The emphasis at Civic university was somewhat different, as the impression given was that the governing body was involved at an earlier stage in more open-ended discussions:

'I think ... in terms of the kind of strategic process we've just been through, and are going through, then I think council members have been given the opportunity to get involved at the earlier stages of thinking ... and I think that's where the council can actually make a better contribution, when it's not operating on the basis of something that's been pre-cooked, but is able to do some blue sky thinking and to throw ideas at the university. (Civic 4, external, sub-committee chair)

However, even at Civic university there did not appear to be any suggestion that the governing body had primacy in relation to the development of institutional strategy. This was not the case at NewMill university, where external members clearly felt that the governing body took the lead:

'Well, the council sets the overall mission and the strategies ... we always have an away day ... and we spent quite a lot of time working during the day ... looking at the key issues for the university and the council, and what we had to offer ... the areas we wished to highlight, and then the VC ... put together a strategy paper based on our thinking.' (NewMill 5, external)

So there are several different perspectives on the ways in which board members engage in strategy development and consideration. At most institutions it appears that the executive take the lead, but that governing bodies are involved in commenting on and contributing to the development of the strategy. There are signs at Civic university of governing body members being involved at an earlier stage (able to do 'blue sky thinking'), and at NewMill of governing body members seeing themselves as owning the strategy (and sending the Vice-Chancellor away to write the strategy paper).

#### 6.6.3 *Does the governing body really have any influence on strategy?*

Reflections on the nature and extent of governing bodies' roles in strategy development touched on a number of other issues. For example, one external member thought some people had more influence than others:

'It's quite noticeable that the [members] with the business background ... probably have more to say about strategy and direction, where the university should be going.' (Civic 6, external, deputy chair)

There were also suggestions that there were limits to the extent to which governing bodies could actually influence the strategy. This was a

perspective that was principally associated with internal members. One commented, in the context of his involvement in an effectiveness review committee, that:

'Some people thought that the council didn't have, wasn't allowed to have, enough input into strategy, and other people thought it had exactly the right amount.' (Greenfield 1, internal, academic, non-executive)

Another non-executive internal member commented:

'[The council's] formally signing off the budget and policies, but how much is it really influencing strategy and direction, and so on? ... I must say I'm a bit ... sceptical in terms of it really being in charge, or controlling anything, or directing ... strategy to much of an extent.' (Civic 10, internal, academic non-executive)

There were other indications of potential limits to the governing body's role in relation to strategy. For example, an external at CityMod university appeared to stress the primacy in strategy development of the executive, when he spoke of the governing body:

'Ensuring that the ... full-time executive ... have been able to persuade you that the corporate plan, that they have set out, the way they wish to go, the means of travel of the university, is the right and proper means of travel. ... And the role of the board is to tweak it, if necessary, guide it, if necessary, but essentially to say this is the course of travel for the next X years.' (CityMod 8, external, sub-committee chair)

A similar impression of the governing body having limited influence, was given by an internal at TownMod university, who spoke of the Vice-Chancellor setting out his plans and presenting them to the governing body:

'Quasi fait accompli.' (TownMod 1, internal, non-exec academic)

The idea that there needed to be a balance between strategy and other roles also arose. For example, an external at ExCAT university remarked:



‘There’s a balance ... that says that strategy is very important, [and] that at a higher level a lot of things are strategic, but when it comes down to, say, signing off a TRAC return or something, you need to know that the actual controls are in place, and that there’s a robust and reliable set of data that’s been submitted, and that council don’t need to worry about that because it’s [already] been well-reviewed’ (ExCAT 5, external, sub-committee chair)

Finally, fore-shadowing an issue in relation to governing bodies’ attitudes towards their responsibilities for the academic aspects of institutions’ activities, one external held the strong view that:

‘Universities ought to be run by academics, not by lay people. The lay people are there to suggest, to advise, to make sure that it’s done, you know, that the ... books are OK, that the finances are honest, ... to oversee that there is a strategy, that it makes - to comment on it, to make it sense. But, but the strategic direction of the university has to come from within it.’ (Greenfield 2, external, deputy chair)

#### 6.6.4 *The variability of reflections on strategy*

The preceding sub-sections have shown a clear perception on the part of governing body members and attendees that governing bodies have an important role in relation to institutional strategy. In terms of the emphasis given to governing bodies’ contribution to strategy development, in comparison to the emphasis placed on other governing body roles, there was however some variation from institution to institution. Respondents from CityMod, Civic and NewMill universities, for example, strongly identified contributing to institutional strategy as a major governing body role, whilst at Greenfield and TownMod universities interviewees accepted that the governing body had responsibilities in this area, but did not highlight this role so strongly (see sub-section 5.2.2 and particularly Table 5.1, p 184).

There were also differences of perception with regard to whether the executive or the governing body played the leading role in strategy development. In most cases, the impression given was that governing bodies contributed to strategy development on a broadly equal basis with the executive, but that the executive provided the initial input, in the form of a draft strategic plan or similar document – this was the case in the chartered institutions, Civic, ExCAT and Greenfield universities, in two of the incorporated universities, CityMod and TownMod, and in UniCollege (see Table 6.1 below). Within this group there were indications that the executive's control of the strategy development process was perhaps strongest at TownMod university, and that the nature of the contributions that the governing body could make was somewhat broader at Civic university (scope for 'blue-sky thinking'). In contrast, at incorporated NewMill university governing body members clearly perceived themselves as taking the lead – sending the Vice-Chancellor away to write the strategy after their discussions.

Table 6.1: Governing body role in relation to institutional strategy

Institutions	Overall impression of extent of governing body's role in strategy development:		
	GB comments on strategy developed by executive	GB contributes to shaping of strategy jointly with executive	GB takes lead role in formulation of strategy
CityMod	√√	√	
Civic	√	√√	
ExCAT	√√	√	
Greenfield	√√	√	
NewMill		√	√√
TownMod	√√	√	
UniCollege		√√	√

The differences of emphasis recorded above need of course to be treated with caution, because of the variations in the nature and number of governing body members and attendees interviewed at each institution (see sub-section 4.3.4, Table 4.3, p 152). At NewMill university, for example, the interviewees were all external members of the governing body and the lack of an executive or internal member's view may have skewed the impression given as to the primacy of the governing body's role in relation to strategy development. It is, however, still possible to conclude that members of the governing bodies of all the case study institutions perceived themselves as playing a significant role in strategy development, and that in one institution (NewMill) governing body members felt that they initiated the strategy development process and played the most significant role in it.

## **6.7 Educational character and academic activities**

### **6.7.1 *Attitude to educational character and academic activities***

It was noted at the start of the previous chapter (sub-section 5.2.1) that alongside five areas where a strong role for governing bodies was widely accepted, a further area of strong agreement was that governing bodies should not play a significant role in relation to academic activities. This view is, *prima facie*, surprising, given the formal recognition of the governing body's responsibility for educational character in the constitutional provisions of incorporated institutions, and the by now almost equally clear position with regard to the responsibilities of the governing bodies of chartered universities. A question therefore arises as to how governing bodies can fulfil their

responsibilities, if governing body members do not feel it appropriate to play a significant role in relation to the determination of educational character and the oversight of academic activities.

#### 6.7.2 *External members content to let academics take the lead*

One version of the idea that the governing body, and its external members in particular, should not interfere in academic issues was set out in terms of their lack of capacity to do so:

'I'll be absolutely honest, I'm absolutely baffled as to how any governing body can have anything to do with the academic side. We don't have anything to do with the degrees, we don't have anything to do with content. The only things we can really shape are ... which school gets the funding, which doesn't, when there are decisions being made. But the educational character is beyond our remit.'  
(TownMod 3, external)

TownMod university is, of course, an incorporated university, where the board's responsibility for the educational character is explicit in the institution's constitution, and it was not that this external member did not regard academic issues as important. However, he thought that they should be dealt with by the university's senate, with the governing body simply being kept informed.

He categorised senate as being:

'The institution internally, it's the big decision-making body, discussion body ... and it gets very, very heated, and you get real clashes over absolutely minute detail. But a lot of stuff goes on in there, and ... the academic character, that I don't think we can shape, but that's where it's happening, and we need to know. (TownMod 3, external)

This attitude towards the senate was echoed by another external at TownMod, who said:

‘What we cannot be doing is interfering with senate. The senate has senate business, and we should not be [involved].’ (TownMod 5, external, sub-committee chair)

Externals at a number of other institutions were also firm in their view that the governing body’s involvement in academic matters should be limited. For example, at Civic university, an external member, having stated very clearly that the primary role of a non-executive, external member of the council was:

‘To hold the executive to account for the effective, efficient and honest running of the university.’

added:

‘Now, whether that applies to the academic output or not is a moot question. We basically have decided that it’s primarily the role of the member of council to ensure ... efficient financial compliance, the effective provision of facilities, ensuring that staff and students are well-treated and able to achieve what they wish, rather than – and here I strongly agree – rather than the actual academic standards which are achieved. That is the responsibility of senate – which is currently being challenged by HEFCE.’ (Civic 3, external, sub-committee chair)

Another external member at Civic university noted that the audit committee had recently discussed the governing body’s role *vis a vis* academic issues, prompted by then recent proposals from HEFCE to amend its financial memorandum:

‘... and [the] collective view, including mine, was that it would be a great mistake ... for council to try to have a hands-on approach on the whole academic agenda.’ (Civic 4, external, sub-committee chair)

In the case of another chartered institution, Greenfield university, the externals also felt that they should defer on academic issues to the academics. This was again linked to perceptions of the appropriate role of the institution’s

senate, but was coupled with recognition of the governing body's ultimate responsibility:

'I suppose we have a responsibility for the overall academic direction of the university as far as, you know, sort of overall governance is concerned, but I certainly think that senate is ... the driving force and the kind of dynamic lead on that. I'd be very surprised if something which senate had approved came to council and ... it wasn't supported, because I think the respect of council members for the academic staff is too great for that to happen, probably. Of course, if we thought that somebody was making some mad decision, I am sure we would challenge it, but it hasn't ever been like that. Greenfield has obviously got a lot of academic staff who've been there a long time, so there's a sort of gravitas and ownership of the university, I think, amongst some of the senior academic staff, and perhaps we're lucky in that.'

(Greenfield 4, external, sub-committee chair)

Overall, therefore, one has a clear view that academic matters are best left to the academics.

### 6.7.3 *External members feeling they should do more*

Notwithstanding the general thrust of the views considered so far, there were some signs that external members would have liked to pay more attention to academic activities. At CityMod university, for example, the chair highlighted the importance of the governing body's responsibility for educational character, but felt there was too little time to consider it properly:

'The first role of the board ... is financial sustainability, and we spend a lot of time on that. Second is the educational character, and we spend some time on that, but ... I do know all the board members would like to spend more time on that, but by the time you've dealt with financial sustainability, estates and a few strategic issues that are thrown at you by central government, often we don't feel we spend enough time with the faculties.'

(CityMod 5, external, chair)

He was also sceptical as to whether governing body members understood educational character:

‘It would be quite interesting to canvas the board members ... if you ask them what they think our educational character is, what they come up with ... we've never done that. I mean we've done quite a bit of self-assessment on board process and things like that, but one of the things we didn't do was ask ourselves whether we had a clear view ... [about] what the educational character is.’ (CityMod 5, external, chair)

However, he concluded that even if he and his colleagues had wanted to, they could not put the issue of educational character ‘near the top of the agenda’, because of the need to give higher priority to things such as estates, financial sustainability, student satisfaction and employability.

Another external at CityMod appeared, however, broadly satisfied with the way that academic issues were handled, commenting:

‘Do we have a direct input? No, that's handled through senate. Are we aware of where the university is going? Yes, we are, because one of the ways you get your funding through HEFCE is people who complete their courses, and therefore if you've completions that are down, then your income is down, and so we have a general feel for what is happening academically.’ (CityMod 8, external, sub-committee chair)

At CityMod university there was, therefore, somewhat more explicit interest in the institution's educational character than at most other institutions, but still a degree of acceptance of the idea that it was not necessary for the board to take a detailed interest in academic issues.

The perception that the governing body should have an explicit role in these areas was even more apparent at NewMill university and UniCollege. At NewMill, the chair (NewMill 1) recognised that the governing body had

exercised its ultimate responsibility for academic activities when the university's courses needed to be 'put on a proper business footing' under the previous Vice-Chancellor. She also foresaw there being a clear role for the governors in making 'some very difficult decisions' in the near future because of the external financial and economic climate. One of her colleagues (NewMill 2, external) commented on the danger, as he saw it, of giving academics too much leeway, and of just letting them 'get on with it', because they would not take a broad enough view. However, another external at NewMill (NewMill 4), while not conceding primacy in relation to educational character to the academics, still recognised the importance of academic input, commenting that there was:

'Need for a senate, even in an institution like this – a more work-a-day university on the scale of universities, compared with some of the more rarefied bodies – even in a place like this [there is] the need for senate to be a place that's both safe for academics, and doing important things that academics need to sign up to, particularly around how they relate to their peers, how they make sure the academic endeavour is going well rather than, badly, it seems to me essential. ... If senates didn't exist, we'd need to invent them, I think.' (NewMill 4, external)

Turning to UniCollege, there was again less sense of the governing body being willing to leave responsibility for the educational character of the institution to the executive and to academics, albeit with signs that this was a relatively recent development:

'Until, certainly, my first couple of years here, we didn't get involved very much with the academic side of things. ... I think there were five new governors at the same time ... and we said, but this is crazy – we're talking about money and all sorts of things, but we're not doing anything on the academic side. And there was a slight bristling, I think, from ... the Vice-Principal, who chairs the academic board, but nevertheless we now have an annual meeting together, the academic



board and the board of governors.' (UniCollege 3, external, sub-committee chair)

#### 6.7.4 *Internal perceptions*

A high proportion of the external members therefore had a strong preference for ceding responsibility for educational character to the academics. At the same time, most external members appeared to accept that their governing bodies had an ultimate responsibility in this area, even if they were content to discharge it at one remove. What then of the views of internal members and attendees about these issues?

The overall tenor of the internals' comments can be illustrated by the views of two Vice-Chancellors, who both felt that the governing body's role should be limited. The Vice-Chancellor of TownMod university, asked about educational character, had a very strong opinion:

'I mean ... if you crack that, that's, in my view, that's the philosopher's stone of ... university boards, really. It is absolutely crucial for me that the board does not interfere with the operation of senate, because that would undermine ... academic quality. It would be fundamentally wrong, ... and also it would mean ... you would find it almost impossible to hire decent academic staff if that were known, and ... if that did happen I'm afraid I would resign instantly, because I think there are some things you have to stand up for.' (TownMod 2, internal, executive, Vice-Chancellor)

He went on:

'The way I explain it to the board is, yes, I completely and utterly understand that they are responsible for the institution, and if the education's rubbish, that's at their door, absolutely. But supposing we taught surgery, do they really feel they have the knowledge to go and help surgical teachers work out what better content there should be in their degrees and how better to organise the degrees? And that helps

boards get their heads round where they need to be engaged ... What they need to do then is see to it that there's a supply of information which will enable them to make sure it is being done well. (TownMod 2, internal, executive, Vice-Chancellor)

The second Vice-Chancellor it seems pertinent to quote was from ExCAT university. She held almost equally strong views:

'I'm quite nervous about suggestions that council should have more engagement in the academic side of the university ... Senate business is what research we do, how do we do our teaching, what are the important things about the courses we run. And the stuff about the size of the university, the finances of the university, the physical infrastructure, the estates' strategy, is council business. I don't want council pinching senate's ... almost ultimate rights to be the senior academic body in the university. ... Clearly if the university was plummeting down the league tables ... then council has every right to question our academic standards and things, but if everything is going well those to me are absolutely senate's business.' (ExCAT 4, internal, exec, VC)

Here we have one Vice-Chancellor claiming to be ready to resign if his governing body started to interfere in educational issues, and another clear that the governing body should only intervene in extreme circumstances.

Other members of executive management teams at a number of institutions held similarly firm opinions. Bringing the formal role of senate into the discussion again, the deputy vice-chancellor at Greenfield said:

'The thing that it [council] doesn't do, and I think it's not unreasonable that it doesn't do it, it does not try to interfere in the work that the senate does. ... There's perhaps a sort of, perhaps what that indicates is a respect, as it were, for the academic deliberations that go on at the senate, and a desire not to tinker with what it is the academic body is concluding is the right thing to do. ... So there's a kind of understanding and a respect for the role that senate plays here ... and I suppose that is about [council members'] clarity in their own minds

collectively of what their role as council is.' (Greenfield 3, internal, executive)

A member of the executive at CityMod university also expressed strong views:

'I think if you said to me where would my biggest concern be about the current way in which the responsibilities of boards of governors are stated, I think it is in terms of the educational character, because I don't think it's for a board of governors to actually [do that]. ... We do have discussion with the board of governors about the academic character, and I do, you know, from time to time, update them on the some of the academic issues ... so they can understand some of that, but I think it's for us to present what we think the educational character and mission is of the university, and then hopefully the governors buy into that, and by inference therefore take responsibility for it.' (CityMod 1, internal, executive attendee)

The board secretary at CityMod was somewhat more positive, saying:

'We encourage [externals] to engage with [educational character], so for example we have an away day coming up ... and the final session is breakout sessions where they are going to be debating the educational character and mission. Will we stage manage that? Yes, we will ... because it wouldn't be fair on them anyway to just say, well, go away and tell us when you've sorted it out. Are they in a position to influence it? I do think they're in a position to help you formulate your thoughts. ... The fact that you have to debate with somebody who isn't close to your business, you know, living it every day, actually forces you to articulate it.' (CityMod 6, internal, attendee, not executive, secretary)

However, the phraseology she used still implied that control remains with the university's staff, although input from external members was useful.

The views of internal, non-executive, members were similar to those of executive members and attendees. For example, at Civic university, one commented:

'You wouldn't expect council to be saying, y'know, we should be running a course in ethics ... or anything like that, I don't think, or

getting too involved. It's very much an overview on the educational side and a bit more involved in the business side.' (Civic 10, internal, academic, non-executive)

Student members had less to say about the role of the governing body in relation to educational character or generic academic issues. Nonetheless, the student member at ExCAT university remarked that:

'I don't see council's job as to interfere with academics – that is what senate is for. ... I don't think directives are ever passed to senate, I think they almost co-exist side by side. ... I think they interact very well ... - council talks about the building projects, the finances, and things like that, senate talks about the academic stuff. I don't think there's any interference.' (ExCat 6, internal, student)

#### *6.7.5 Evidence from meeting documentation and observation*

The strong evidence from the interview data showing that most governing body members and attendees perceived that detailed oversight of educational character and academic activities was best left to academics was supported by the documentation from governing body meetings. There were, for example, no references to explicit discussions of overall educational character in the meeting documentation of any of the institutions, although some such discussions may perhaps have been subsumed in items concerned with institutional strategy. There were also very few instances of agenda items or minutes about particular academic issues or activities, and while reports from senates or academic boards were routinely received by governing bodies, these were almost always included in the sections of the agenda that were flagged as not for discussion. This picture was borne out by the results of the observation of governing body meetings at Civic university, where academic issues were only referenced in passing.

#### **6.7.6 *Educational character and academic activities best left to the experts***

Overall, therefore, whilst the views expressed about educational character and about the governing body's involvement in academic activities were wide-ranging and considered, there was a clear, and strong, preponderance of opinion in most of the case study institutions that governing bodies and their external members should have only limited involvement in these areas. This did not, however, imply a failure by governing body members to recognise that they had the ultimate authority for educational character. Instead, there was a desire and a willingness in most institutions to entrust the responsibility to the academics of the institution at large. This was associated with a sense that it would in some cases be difficult to discharge the role more substantively even if an attempt was made to do so, and a feeling that other aspects of the governing body's role needed to be given priority. Even in the two institutions, NewMill university and UniCollege, where governing body members paid much more explicit attention to educational character and academic activities, there was still clear recognition of the importance of allowing academics a large degree of autonomy.

### **6.8 Less discussed or absent roles**

#### **6.8.1 *Complying with legal and statutory requirements***

It was noted in the previous chapter (see sub-section 5.2.1) that in addition to there being widespread recognition of a set of governing body roles across all the case study institutions, there were also some standard

governance roles that were discussed by very few governing body members. The first of these concerned ensuring probity and compliance with legal and statutory requirements, a role HEFCE clearly expects governing bodies to carry out. Although few interviewees spoke about this issue, the impression they gave was that these responsibilities were accepted and understood, and did not require comment in the same way as other roles. For example, at UniCollege, an external member and the governing body secretary spoke about the topic in very similar terms:

‘Obviously I won’t go into all the statutory stuff because, obviously, that’s a given.’ (UniCollege 3, external, sub-committee chair)

‘Well obviously they have all the legal responsibilities. ... And they do all the sorts of things that, you know, they have responsibilities for - health and safety, and for quality legislation, and ... So, they’re doing all that work, yeah.’ (UniCollege 1, internal, attendee, not executive, secretary)

A deputy chair at Civic university responded in similar vein:

‘I think that the collective role – I mean there [are] the statutory responsibilities – clearly we have those in governance terms – you know, the financial situation, the quality of provision, the staff responsibilities in terms of ensuring both that they’re aware of what’s happening and that they have good working conditions, as well as contributing to the quality – but ... council members ... give you a balanced perspective, ... challenge appropriately ... add value and support what it is the university is seeking to do.’ (Civic 5, external, deputy chair)

At one institution - CityMod university – people seemed, however, rather more explicitly aware of such issues. The chair (CityMod 5), for example, wondered whether governing body members were given enough information about their legal responsibilities, and whether they were aware of the Nolan principles. The student member (CityMod 7) voiced concern about

whether the governing body members had yet taken on board the implications of recent changes to charity commission requirements. And an internal attendee (CityMod 1) spoke about the potential dilemma of the governing body having responsibility for things they could not be expected to have detailed information about. Nonetheless, the overall impression given was still that there was awareness of legal and statutory responsibilities, without there being much active engagement with those responsibilities by governing body members.

As noted in sub-section 5.2.2 (see also section 5.5), review of documentary evidence, in the form of governing body agendas and minutes, confirmed that attention was being paid to these responsibilities at all the case study institutions. In addition, observation of the governing body at Civic university (see section 5.6) demonstrated that reasonably significant amounts of time were devoted to consideration of issues relating to legal and statutory responsibilities. Taking the case study institutions as a whole, it was clear that while the governing body's role in ensuring compliance with statutory and legal requirements was not generally at the forefront of people's minds, this was because it was understood as being addressed automatically and routinely, and was not seen as requiring the same proactive engagement as, for example, the governing body's roles in challenging and supporting the executive.

### 6.8.2 *Risk assessment and management*

The second area to which less attention was paid in discussion than might have been expected in the light of the formal prescriptions for governance in the higher education sector concerned risk. Nonetheless, a number of comments on the governing body's role in relation to risk were made. For example, the Vice-Chancellor at Greenfield university was concerned with external risk and avoiding mistakes. In this context he saw the governing body having a role:

'To make sure we don't do something really stupid, and to help us calculate the risks ... it's about future proofing ... and it's ... extremely helpful to have people who've had very senior roles in various places ... scanning the horizon, helping to assess the risk of doing [things]. (Greenfield 6, internal, executive, Vice-Chancellor)

The chair of the audit committee at Greenfield commented on how much the university's approach to risk assessment and management had changed, and how helpful this was to the governing body:

'The other thing which ... I think has improved enormously ... is a much more robust approach to what the organisation's response to risk is. They didn't have a risk register when I joined, we have a risk register now. [And] all the monitoring that's done ... enables you to be explicit about whether you're a risk averse or a risk hungry organisation, and that the decisions that you make are made in the light of that level of risk that the organisation is prepared to take. ... those sorts of tools are really important to council – you shouldn't just be ... making decisions on the hoof.' (Greenfield 7, external, sub-committee chair)

At UniCollege, the audit committee chair (UniCollege 3), stressed the value for the governing body of 'understanding what the risks are for the institution', while his counterpart at ExCat university explained that the institution had a risk matrix and highlighted the importance of understanding and controlling risks through the institution's audit committee.



As with the need to ensure compliance with legal and statutory requirements, the relative lack of reference to the governing body's role in relation to risk can be explained by the fact that most governing body members regarded it as something that was automatically addressed, in this case by audit and risk sub-committees, and internal audit services. In addition, the fact that the respondents most prone to mention the subject were audit committee chairs, governing body chairs and Vice-Chancellors, suggests that concern with risk was principally of interest to the people on whom it impinged most directly. Indeed, there was a limited contrary strand of opinion about risk, conveying irritation with its prevalence as a discussion topic:

'There's a lot of preventative stuff – risk, risk management – all that's come in. ... its absence never stopped the university working ... so there's almost an attempt to predict the worst.' (Civic 1, internal, academic, non-executive)

### 6.8.3 *Leadership*

The expectation that corporate boards will play a leadership role has existed in the UK private sector for some time (see sub-section 3.2.3). In contrast, the idea that higher education governing bodies in the UK should have a leadership role has not so far been reflected in formal HEFCE or CUC guidance (see sub-section 3.2.5), although it has recently become a topic of interest in Schofield's work on effectiveness (Schofield, 2009; see sub-section 3.5.3), and has always been reflected in the title of the Leadership Foundation for Higher Education (LFHE). However, apart from the implication that, since the LFHE addresses governance, governance must involve leadership activity, the idea that the governing body has a leadership role (as opposed to

the chair of governors, or the Vice-Chancellor) has not been prominent. There is therefore a mixed context in which to place the almost complete lack of reference to leadership by the governing body members whose views were obtained in this research. On the one hand, the lack of reference to leadership as a governing body role could be seen as simply reflecting the fact that such a role for governing bodies has been given no emphasis by HEFCE and the CUC, notwithstanding the work of the LFHE. On the other hand, a leadership role is expected of the private sector boards of which many members of higher education governing bodies have experience.

It was in this context, then, that only four interviewees spoke about leadership, and that three of those people were internal, executive members of their governing bodies (two Vice-Chancellors and a Deputy Vice-Chancellor). Two of these three respondents associated leadership with the roles played by the chairs of their governing bodies. One said, when talking about effectiveness (see also chapter 7):

'Well, it's, it's good leadership. I mean, over the years I've seen different versions of chairs of council, and a good chair of council can gigantically affect the, you know, the capacity of the council to come to decisions about anything. So I think it's good leadership, and, and it's about, I think, an effective structure that works and I think what we've got at the moment is a structure that works very well.' (Greenfield 3, internal, executive)

In similar vein, the Vice-Chancellor from TownMod university commented:

And we, we do have a very good board, ... and our two chairs <name and name> have shown excellent leadership in every way that that might be demonstrated. (TownMod 2, internal, executive, Vice-Chancellor)

The third executive respondent, the Vice-Chancellor at CityMod university, spoke about leadership when commenting on the governance theory matrix (see sub-sections 4.3.3 and 5.7.2 above). Having touched on the relevance or applicability of stewardship theory and agency theory, he said:

'I don't think our board ever has to encourage us to accelerate, at times I think it has to restrain me ... (*mutual laughter*), you know what I mean. I think actually this is the difference between the leadership aspects as opposed to the stewardships aspects, and I think there's a leadership one, almost, in here.' (CityMod 2, internal, exec, Vice-Chancellor)

Finally, the one external member who commented explicitly about leadership suggested:

'I think the council can have a leadership role, I think it has to be a complementary leadership role, ... it's not the executive, and it shouldn't seek to be, and I think that's really important. But it can have a role as, as I say I would put it as complementary. I can only, my only experience is of [this university and] one of [being] supportive to the direction, the vision, the mission. So I think we made contributions to that, significantly, and it's about supporting the tone, d'you know, the being of the university – what is it? So I really feel that how the council behaves, and their contribution, should be a leadership role in terms of what is best and of the best for the university. (Civic 5, external, deputy chair)

So leadership here was seen by two senior executives in terms of the example set by the chair, while another executive saw a more general role for the governing body in this regard, and the one external who mentioned the subject saw a complementary leadership role for the governing body.

The fact that only one external member spoke about governing body leadership is even more striking given that he only spoke about the subject because I prompted him to do so. Leadership was not a topic that I set out to raise directly with governing body members. Instead, it was one of a number

of potential governing body roles that I felt might arise but which I did not wish to prompt direct comment about by posing a question. However, on this occasion, the interviewee made a remark about council members having 'aspirations for the university' which brought the idea of leadership to my mind, and I was moved to pose a specific question. The exchange (running on from the interviewee's initial remarks about governing body roles) went:

Civic 5: People can, of course, challenge appropriately, because I think that's ... part of it, but also add value and support to what it is the university is seeking to do. So, I feel that individual members bring that. I think in a corporate sense, an, erm, corporate sense, it's a sense of, er, loyalty, of belonging, of aspirations for the university.

DB: OK, alright. In terms of aspirations for the university, then, do you, does that spill over into, can council have a leadership role, for the university, ... or is it not sufficiently ... close to the university at large to have a sort of leadership role?

Civic 5: I think the council can have a leadership role, etc.

This provides an interesting illustration of the mutability of the interviewing process. At the time, reflecting on this interview and others conducted up to that point, the rarity of the comment about leadership did not immediately strike me, nor did the fact that it had only arisen because I had put a specific query to the interviewee. I did in due course recognise the scarcity of comments about leadership, but decided not to start explicitly raising the issue in the interviews still to be conducted (about a third of the total), on the grounds that it might unduly affect the pattern of comments from future interviewees.

As a final point, it is perhaps worth noting that the LFHE quite often arose in discussions with both external and internal governing body members.

Sometimes the interviewee mentioned the LFHE, and sometimes it appeared to me appropriate to mention it, usually in discussions about effectiveness and the recommendations made in that regard in the Schofield report. Nonetheless, despite the leadership foundation being discussed, none of the interviewees then went on to address the topic of leadership *per se*. In this case, unlike those of the governing body's roles in relation to legal and statutory responsibilities and risk assessment and management, I do not think that a leadership role is recognised but taken for granted; instead I believe in the light of the data discussed above that most governing body members do not see their governing bodies as playing a leadership role.

## **6.9 Conclusions**

### **6.9.1 *The desire to be positive***

This chapter has demonstrated in detail the basis for the position with regard to governing body members' and attendees' perceptions of governing body roles summarised in Chapter 5, specifically in Tables 5.1 and 5.2 (pp 184 and 188). The data referred to here, and the examples of the transcribed interview data that have been quoted, show that some of the normative governing body roles set out both in guidance issued for the private sector and by HEFCE are recognised and regarded as important – such as challenging the executive, and therefore holding them to account, and playing a role in strategy development. However, other roles that do not feature in external guidance and normative expectations – such as providing support for

the executive, offering advice and guidance, and acting as a link to the outside world - are seen as being at least equally important. All of this reveals a strong desire on the part of governing body members, and particularly external members, to see their roles in broadly positive and supportive terms. It has also been shown that governing bodies' approaches to their roles are complex and varied, and that there is a strong reluctance on the part of governing bodies to engage with issues around their institutions' educational character.

#### 6.9.2 *Less commonly discussed roles*

Although it has been possible to cite some transcribed interview data to illustrate the views of governing body members and attendees towards the normative roles associated with fulfilling legal and statutory requirements, and paying attention to risk assessment and management, the extent of this data was very limited by comparison to that relating to the other governing body roles discussed above. However, it was apparent, from the meeting documentation and observational data also considered, that governing bodies were paying attention to their legal and statutory requirements, and to risk assessment and management, but that these roles were regarded as essentially routine, or 'a given' as one person put it. They therefore did not engage governing body members as actively or as positively as did their other roles.

In contrast, the lack of discussion of a leadership role for governing bodies did not appear to be due to such a role being taken for granted.

Instead, the most plausible explanation for the lack of reference to leadership by the great majority of interviewees appears to be due to a shared perception that this is not yet a recognised governing body role, as opposed to a role associated with Vice-Chancellors and executive management teams. This raises interesting questions about governing bodies' capacity to take ultimate responsibility for their institutions given that they do not seem to see themselves as having leadership roles.

In the next chapter, I shall consider the data discussed here in the context of other relevant studies of governance, in both the private and public sectors, and in relation to governance theory.

## **Chapter 7: Reflections on the perceptions of governing body roles in the light of the wider literature and governance theory**

### **7.1 Introduction**

#### *7.1.1 Perceptions of governing body roles in previous studies*

Data were presented in the previous chapter which illustrated the perceptions of the governing body members and attendees interviewed in this study of the roles of their governing bodies. Although the major part of the data considered was drawn from the transcribed interviews, this was supplemented where appropriate by data drawn from meeting documentation and observation. In the context of a thematic analysis of the data at the level of the quintain, it was revealed that governing body members and attendees have clear perceptions of the importance of a variety of governing body roles. As illustrated in the summaries of the data presented in Tables 5.1 and 5.2 in Chapter 5 (pp 184 and 188), some of those perceptions of governing body members and attendees aligned with the normative expectations of bodies such as the Higher Education Funding Council (HEFCE) and the Committee of University Chairs (CUC) with regard governing body roles. However, some roles highlighted by HEFCE and the CUC were much less prominent in the interview data than they were in the meeting documentation. In addition, important roles were perceived to exist that were not included amongst the normative role expectations of HEFCE or the CUC. I shall now consider these



findings and their interpretation in the light of the literature reporting on previous studies of governance.

## **7.2 Perceptions of challenge and support in previous studies**

### **7.2.1 *Challenge and support in private sector governance***

The respondents in this study clearly saw the provision of both challenge and support to the executives in their institutions as key parts of their overall role. They saw these roles as complementary, with some externals perceiving there to be dangers in being too critical of the executive either too frequently or too persistently (see sections 6.2 and 6.3). A number of previous studies of private sector governance (see sub-section 3.7.2) have supported a more extreme position with regard to challenging executive management and have suggested that both the willingness and the capacity of board members to provide meaningful challenge is in practice very limited – certainly this view was expressed by Mace (1971) and Lorsch and MacIver (1989) in their studies of the private sector in the United States. However, the more recent study of the UK private sector by Stiles and Taylor (2001; see sub-section 3.7.3) supported instead a scenario closer to that revealed in this study, in that they found that while board members felt able to challenge the executive, they were uncomfortable with being too adversarial and ultimately saw more benefit from working collaboratively with their executive directors as colleagues. Roberts *et al* also found board members suggesting that the best

approach was to be both 'challenging and supportive' and that this was what executives found most valuable (Roberts *et al*, 2005, S17).

### 7.2.2 Challenge and support in public sector governance

In the case of the public sector in the UK, studies of NHS governance (see sub-section 3.8.2), such as those by Ashburner (1997, 2003) or, more recently, Storey *et al* (2010, 2011) all suggest, *inter alia*, that the extent to which board members provide challenge to the executive is variable, so that 'board members are not always challenging enough' in some circumstances, while in others 'often ... there is a polarisation in the board between NEDs [non-executive directors] and executives' (Storey *et al*, 2011, 151). This suggests that the two facets of challenge and support are not always well reconciled in the NHS, whereas analysis of the interview data in this study suggests that higher education governing body members do not generally seem to find it difficult to reconcile being both challenging and supportive.

Turning to studies of higher education governance (see sub-section 3.9.5), Bargh *et al* (1996) identified what they called the 'supervisory' role - 'supervising the chief executive and other senior managers' (Bargh *et al*, 1996, 90) - as their third most important governing body role, although there was no explicit sense of providing a challenge to the executive. Berezi (2008) noted that governing body members perceived themselves as having a role in holding the executives to account, but he had relatively little to say about how this worked in practice. Finally, the material presented by Schofield (2009) included responses by both governing body members and executives to a

question about whether their governing bodies had 'effective arrangements for governors to challenge key issues' (Schofield, 2009, 85). This elicited positive responses, with around 90% of the externals responding that this was always or usually the case.

### 7.2.3 *The overall position with regard to challenge and support*

The sense obtained overall from other studies is that providing appropriate challenge to executives has been recognised for some time as an important role in governance. This is consistent with the views expressed by the respondents in this study. However, the extent to which the role has been successfully undertaken in the past has varied, and even now, when the importance of challenging the executive and holding them to account is more explicitly articulated than in the past in almost all governance contexts, there remains debate about board and governing body members' ability to challenge executives effectively.

Although less evidence is presented in other studies about governing bodies' roles in providing support for executives, the principle that board members should do so is apparent in the 'service' roles identified by Mace (1971) and Lorsch and MacIver (1989); there is also some evidence of the supporting role in the work of Stiles and Taylor (2001), and it features strongly in the study by Roberts *et al* (2005). It is clear in this study that external members of governing bodies, in particular, perceived being supportive of the executive as an important role, and that in some cases they saw it as being

more important than challenging the executive. However, being both challenging and supportive at the same time was not seen as problematic.

### **7.3 Providing advice and guidance as a role in other studies**

#### **7.3.1 *The advice and guidance role in a wider governance context***

The provision of advice and guidance by the non-executive members of a board or governing body is recognised as a traditional and mainstream governance role. In the commercial sector, as was noted in sub-section 3.7.2, studies by US authors have suggested that board members see the provision of advice and guidance as one of their principal roles (Mace, 1971; Lorsch and MacIver, 1989; Johnson *et al*, 1996). Mace also implied, however, that since non-executive directors had little time to devote to their board roles their advice must necessarily be limited in scope. Although his study concerns a different context, and took place some time ago, Mace's comments are still relevant, because it is undoubtedly the case that many external members of higher education governing bodies spend only relatively little time on their work in that capacity. This is due both to their engaging in only a small number of governing body meetings each year, and to the need because of this to consider a large amount of material in a short time at each meeting. The comments of governing body members and attendees in interviews, review of meeting documentation and observation of governing body meetings all support this contention about the time available to governing body members, particularly external members, although it was also clear from the

transcribed interview data that governing body members in this study nonetheless still felt able to provide meaningful advice and guidance.

A further consideration identified in this research (see sub-section 6.4.6) concerned the extent to which external members of higher education governing bodies have, or can develop, a good understanding of the higher education sector, given how few of them have a background of working in the sector, and whether or not this was an important factor in relation to their being able to offer pertinent advice and guidance. Shattock certainly felt that these aspects of UK higher education governance could be problematic (Shattock, 2006, 50). The respondents in this study did not, however, give the impression that any lack of detailed knowledge of higher education deterred external members from offering advice and guidance to the executive, nor that they felt constrained when doing so, any more than the time constraints deterred them.

### *7.3.2 Lack of reference to an advice and guidance role in other studies*

Although the provision of advice and guidance by board or governing body members is touched on in a number of other studies (see, for example, Huse, 2007), it often appears only to be mentioned in passing, and in the context of the board or governing body's contribution to strategy (as in Stiles and Taylor, 2001). In other studies of the higher education sector, the provision of advice and guidance was hardly mentioned by Bargh *et al* (1996) and does not feature significantly in Berezi's work (2008), nor in Schofield's work (2009) on effectiveness for the LFHE. Overall, therefore, there is a

striking contrast between the prominence accorded by the governing body members interviewed in this study to their roles in providing advice and guidance, and the relative lack of reference to this activity in other studies.

## **7.4 Acting as a link and ambassador to the outside world**

### **7.4.1 *Perceptions in other studies of governance of acting as a link and/or an ambassador on behalf of the institution***

Hillman *et al* (2000; see sub-section 3.3.7) highlighted a number of types of link that board members can provide in a private sector context, including 'business experts', 'support specialists' and 'community influentials'. Equivalent roles are recognisable in this study, albeit with the more specific connotations appropriate to the UK higher education sector. The importance of the linking and ambassadorial role was also recognised by Stiles and Taylor (2001; see sub-section 3.7.3). They saw it as a strong feature of the grouping of activities they classified as 'institutional', encompassing relationships with shareholders and stakeholders, as well as interacting more generally with the external environment. They found that 'non-executives drew considerable influence from their political and personal networks', and that this was 'an important element in their added value to the board'. This was recognised by board executives ('such contacts were useful and could possibly give a firm an edge'), although by and large it was not suggested that non-executives were chosen because of their contacts (Stiles and Taylor, 2001, 99).

In relation to the higher education sector, Bargh *et al* (1996; see subsection 3.9.5) subsumed 'lobbying on behalf of the institution' with 'giving technical advice' in a combined 'support' role. They also identified a separate 'negotiating role' which involved 'handling links with other bodies such as the National Health Service, Training and Enterprise Councils, further education institutions and schools' (Bargh *et al*, 1996, 90), although this suggests to me a management-related activity rather than a governance role. In any event, 'negotiating' was seen as the least important of the eight roles identified in Bargh *et al*'s study, which contained little evidence that governing body members saw themselves as engaged in linking their institutions to the outside world. Berezi (2008) noted that the governing body members in his study perceived their governing bodies to have an ambassadorial role, but he did not expand on this to any great extent, while the other recent touchstone in this area, Schofield (2009) says nothing in detail about the topic.

## **7.5 Contributing to strategy development**

### **7.5.1 *Perspectives on boards' involvement with organisational strategy in the private sector***

The influence of boards on strategy is probably the area to which most attention has been paid in research on governance. As was noted in subsection 3.7.6, McNulty and Pettigrew (1999) found that boards tended not to initiate strategies but that they were actively engaged in a range of strategic processes. They contrasted this with the earlier US study by Mace (1971), who saw little or no evidence of non-executives being able to influence

strategy in US firms. Stiles and Taylor (2001; sub-section 3.7.3), whose findings to some extent mirror those of McNulty and Pettigrew, concluded that most boards establish parameters for the discussion of strategy, but do not formulate strategy, while in their work associated with the Higgs review, Roberts *et al* (2005; see sub-section 3.7.4 above) saw 'close involvement in strategy' by non-executives as essential in enabling them to 'critique executive performance' (Roberts *et al*, 2005, S21).

The involvement of board members in strategy has continued to be seen as variable and contested in commercial contexts, as discussed in the recent review by Pugliese *et al* (2009). Nonetheless, the idea that board members should be involved in strategy development has clearly become more accepted over time.

#### *7.5.2 Perspectives on boards' involvement with organisational strategy in the UK public sector*

Studies of public sector governance in the UK have also considered the strategic input of boards and governing bodies. Writing about the NHS, Ashburner (1997) saw little evidence for board involvement in strategy formulation. More recently, Storey *et al* (2011) suggested that while it was recognised that boards should have a strategic role, evidence that such a role was being effectively undertaken was limited. Elsewhere in the public and non-profit sectors, Cornforth and Edwards (1999) found that the boards of a school and a local voluntary organisation had little involvement in strategy, whilst the board of a national voluntary organisation had rather more and that



of a further education college the most involvement (see sub-sections 3.8.1 and 3.8.2).

Turning to higher education, a 'strategic' role was identified by governing body members as the most important role (of the eight roles they identified in total) in Bargh *et al*'s 1996 study. However, Bargh *et al* also found in four case studies that the governing bodies in question were mainly reactive rather than proactive in relation to institutional strategy. Bargh *et al*'s study suggested in addition that strategy was owned more by the executive than the governing body. Bennett (2001) saw only limited evidence for governing body engagement with strategy. In something of a contrast, Bott (2008) found that the chairs of governing bodies felt that they played a significant role in strategy development (for all references see sub-section 3.9.5).

In the case of Berezi (2008), he identified two types of governing body in relation to their role in strategy development – 'reactive-passive' and 'proactive-active' (see again sub-section 3.9.5). In the former category (two of seven institutions), Berezi suggested there was limited involvement by external members in strategy development, but in the case of the governing bodies of his 'active-proactive' institutions (of which there were five) Berezi reported that they initiated 'the strategy process ... through convening special strategy meetings' (Berezi, 2008, 221). However, although Berezi therefore described his active-proactive governing bodies as initiating the strategy process, much of his discussion of the topic emphasises the collaborative

nature of the strategy development process, so that 'lay governors appear to have an opportunity to contribute to the strategic debates of the institutions'. He went on to suggest, *inter alia*, that the evidence that he found was 'consistent with the findings of Stiles and Taylor (2001) and McNulty and Pettigrew (1999)', to the effect that 'boards ... collaboratively formulate strategy with the executive', but 'that it is the responsibility of the executives to develop the strategies' (Berezi, 2008, 224). My own reading of Stiles and Taylor and McNulty and Pettigrew suggests that their views about board roles in the overall strategy formulation process are not quite as positive as Berezi suggests, and that Berezi's evidence implies greater engagement in the initial creation of strategy by his 'proactive-active' governing bodies than either Stiles and Taylor or McNulty and Pettigrew found in their studies of boards in the commercial sector. Of the institutions in this study, only at NewMill university did governing body members appear to feel as unambiguously in charge of institutional strategy as Berezi implies his five active-proactive governing bodies were. Instead, the data presented here suggest that the institutional strategy is perceived as jointly owned by the governing body and the executive in six institutions (CityMod, Civic, Greenfield, ExCAT and TownMod universities and UniCollege), whilst it is seen as more strongly owned by the governing body in one instance (NewMill university). In relation to this point, it should be noted that the summary data presented in Chapter 5 (see Table 5.1, p 184) referred to the governing body's contribution to strategy, where in contrast both at Greenfield and TownMod universities respondents gave the impression that the governing bodies' contributed to organisational strategy to a lesser extent than at the other five institutions.

Despite this, members of these governing bodies still felt that they had joint ownership of institutional strategy with the executive.

### *7.5.3 The overall position with regard to institutional strategy and its development*

Given the range of research just discussed, it seems that the trend towards boards and governing bodies playing an increasing role in institutional strategy, seen in the commercial sector, both in the UK and the US, in the last twenty years, has been paralleled in the public sector in the UK. This is not surprising, given the influence on governance in the higher education sector of the changes in the approach to governance in the private sector from the 1990s onwards. However, the evidence presented here shows that the extent to which governing body members perceive themselves and their governing bodies as being able to contribute meaningfully to institutional strategy remains variable.

## **7.6 The lack of engagement with educational character**

### *7.6.1 Failure to engage with a central responsibility*

As was illustrated in Chapter 6, the evidence of the transcribed interview data from this study, supported by that from review of meeting documentation and observation of meetings, showed that governing body members and attendees in most institutions were reluctant to engage in any detail with oversight of educational character or academic activities in general

(section 6.7). While there is evidence from some other studies showing boards or governing bodies either unable or unwilling to take on roles that they are in some sense expected to undertake, in hardly any case is there evidence of recognition that a board or governing body has an ultimate responsibility but is reluctant to directly engage with it. The work of Deem *et al* (1995; see sub-section 3.8.1) on school governance comes closest to offering a parallel, with part of the reason for some external school governors feeling unable to engage with educational issues involving deference to the professional expertise and knowledge of teachers, particularly head teachers.

The issue of engagement with educational character and oversight of academic activities is also far from prominent in other studies of higher education governance. Bargh *et al* (1996, 51-66) explored the views of the governing body members about a number of over-arching aspects of higher education in the questionnaire-based part of their study, including their perspectives on the nature of the UK higher education system, the nature of undergraduate degree programmes (whether, for example, they should be modular or not), and the role of higher education institutions in research (whether all higher education institutions engage in research, for example). They presented, however, relatively little detailed evidence concerning governing body members' roles in relation to educational character and academic activities, as opposed to their attitudes towards different approaches that could be taken in these areas. They did, nonetheless, feel able to conclude that external members of governing bodies felt 'faintly but suggestively' disempowered, and 'excluded from sharing ... ownership' of

issues concerning teaching and research (Bargh *et al*, 1996, 175). Bennett (2001) noted rather in passing that the governing bodies in his study appeared to pay little attention to academic issues, and the topic features hardly at all in the studies by Bott (2007) or Llewellyn (2008). Turning to Berezi's work, he offered little discussion of the subject in his thesis, but nonetheless did conclude that concern with 'the academic activities of teaching, learning and research ... [and] the strategies for implementing these activities were delegated to ... academic senates' (Berezi, 2008, 291).

## **7.7 Other governing body roles**

### *7.7.1 Perceptions of other governing body roles presented in other studies – compliance with legal and statutory responsibilities*

It was suggested in Chapters 5 and 6 that there were roles that formed part of the normative expectations set down in, for example, the CUC governance code for higher education, that were hardly mentioned in their interviews by governing body members and attendees, although there was evidence from meeting documentation and meeting observation that these roles were being undertaken. In the case of paying attention to legal and statutory requirements, this is a role expected of all boards and governing bodies. However, the carrying out of legally mandated tasks and responsibilities does not feature as a primary concern of board members in empirical studies of the private sector, such as those of McNulty and Pettigrew (1999), Stiles and Taylor (2001) or Roberts *et al* (2005) (see sub-sections

3.7.3 and 3.7.6). Addressing legal and regulatory requirements also does not arise to any great extent in studies of public sector governance, although some research has explored concerns about the capacity of governors to cope with the growing demands placed on them by increasing regulation (see, for example, Deem *et al*, 1995; sub-section 3.8.1).

In relation to the UK higher education sector, Bargh *et al* (1996) have little to say on the subject, subsuming it within governing bodies' 'audit role' (Bargh *et al*, 1996, 90). Similarly, studies such as those by Bennett (2001) and Bott (2007) also did not identify meeting legal and statutory requirements as an issue of concern. Llewellyn (2007) noted the role of governing body secretaries in ensuring that legal and statutory responsibilities were discharged, while Schofield stressed the importance of 'ensuring accountability and regulatory compliance' (Schofield, 2009, 38), but noted that much compliance-related activity was undertaken not by governing bodies but by governing body secretaries, or by other employees or agents of the institution such as auditors. Berezi (2008), however, gave rather more emphasis to addressing legal and statutory responsibilities, as he concluded that it was one of four 'determinants of effectiveness' in governance. He did not, however, have much to say about how meeting legal and statutory responsibilities was undertaken in practice. (For all the sources in this paragraph see sub-section 3.9.5, and for Berezi also sub-section 3.6.3.)

The impression formed in this study - that governing body members do not often explicitly express concern with issues around legal and statutory

requirements – therefore matches that obtained from considering other research on governance. Moreover, studies such as those of Schofield and Llewellyn reinforce the impression also gained here that governing body members do recognise the importance of ensuring regulatory compliance, but see it as a role that is routinely carried out by senior institutional managers, particularly the secretary, and that rarely requires proactive intervention by governing bodies.

#### *7.7.2 Other perspectives on risk assessment and management*

Risk assessment and management is also an area that receives relatively little explicit attention in other studies of governance. This is notwithstanding the focus on the topic in the Turnbull Report (Turnbull, 1999), or within the higher education sector by HEFCE (2005). In relation to the private sector, there is, for example, little mention of risk in the work of Stiles and Taylor (2001) despite their study having as one of its main foci the control role of boards. Huse (2007) also makes only passing reference to risk (see sub-sections 3.7.3 and 3.7.5 above).

In the case of higher education governance, risk management hardly features in the study by Bargh *et al* (1996), but their work was undertaken before an emphasis on risk management and a risk-based approach to audit activity became prevalent in the sector. In Schofield's work, a question about whether institutional approaches to risk management were effective was included in the survey that informed his study and suggested that the issue caused hardly any concern (over 90% of responses being positive; Schofield,

2009, 86). Although Schofield subsequently identified 'effectively assessing risk and supporting innovation' as one of his 'outcomes of effective governance' (Schofield, 2009, 38), risk assessment and management were not prominent features of his overall discussion.

An exception to the relative paucity of reference to the subject of risk in higher education governance comes in Berezi's 2008 study (see sub-section 3.9.5), where he concluded that external members of governing bodies tended to be risk averse. Although relatively few people commented directly about risk in this study, the general tenor of the views expressed suggested that their governing bodies were not particularly risk averse.

### 7.7.3 *The question of board leadership*

In the case of leadership, and specifically the idea that boards should collectively have a leadership role, it was noted above (section 6.8.3) that this was an expectation in the private sector in the UK. However, although the Higgs Report referred to boards providing 'entrepreneurial leadership' (Higgs, 2003, 21), in some of the underlying research, McNulty and his colleagues suggested that 'the role of the non-executive is to ... *support* executives in *their* leadership of the business' (McNulty *et al*, 2003, 21; my emphases). Stiles and Taylor refer to the potential for boards to provide leadership, but very much in passing – leadership *per se* did not feature amongst the thirteen board roles identified by their interviewees (Stiles and Taylor, 2001, 37, Table 4.2). Board leadership was also discussed to some extent by McNulty and Pettigrew (in Pettigrew and McNulty, 1998, and McNulty and Pettigrew, 1999),



but in the first case they were principally concerned with boards playing a leadership role in removing chief executives from office, whilst in the latter case they were concerned with the leadership aspects of boards' roles in shaping strategy and found that only a minority of boards were fully involved in exerting leadership in this area (see sub-sections 3.6.3 and 3.7.2 to 3.7.6).

In relation to the public and non-profit sectors in the UK there is again little recognition of boards and governing bodies playing leadership roles. Reference to any explicit leadership role is essentially absent from the work of Deem *et al* (1995), while for Farrell (2005) school governing bodies were focussed on strategy rather than leadership (and were in any event not managing to get much involved in strategy; see sub-section 3.8.1). In the case of the NHS, although there is explicit reference to board leadership in official guidance (National Leadership Council, 2010), leadership is predominantly associated with the chair and chief executive. The recent research into NHS governance by Storey *et al* (2010, 2011) found some chief executives seeing leadership as more important than governance, but not seeing leadership as a governance role (see sub-section 3.8.2).

In the higher education sector, Bargh *et al* (1996) were relatively silent about leadership in general, although they saw some members of governing bodies (such as 'chairs, vice chairs, treasurers and other key members') developing leadership responsibilities in relation to the external environment (Bargh *et al*, 1996, 12; sub-section 3.9.5). Middlehurst (1993, 2004, 2008; sub-section 3.9.3) discussed leadership and governance explicitly, and saw

the external members of governing bodies as contributing to institutional leadership through their on-going formal and informal interactions with senior members of university staff. Leadership is touched on in the studies by Bott (2007) and Llewellyn (2007), although their focus was on the roles of key individuals rather than the governing body as a whole. Berezi (2008) referred to governing bodies having a 'strategic leadership' role, but did not suggest that they had a leadership role more generally. However, as previously noted (sub-sections 5.2.1 and 6.8.3), Schofield (2009) has recently asserted the growing importance of a leadership role for higher education governing bodies. In doing so, he referenced work in the United States by Chait *et al* (2005) on how boards could generate new ideas and new ways of thinking and that through combining this 'generative governance' with more traditional aspects of governance they could develop a leadership role (see sub-section 3.9.6). It is not yet clear how influential Schofield's introduction of such ideas into his work on effectiveness will be, as there is little if any evidence from this or other studies to sustain Schofield's assertion that there is a growing emphasis on the leadership role of boards. The data obtained in this study certainly suggest that most governing body members do not see their governing bodies as playing a leadership role.

## **7.8 The predictions of corporate governance theory**

### **7.8.1 *Governing body roles predicted by governance theory***

The development of corporate governance theory was discussed in Chapter 3 (section 3.3) and the extent to which the implications of governance theory have been considered in previous studies was touched on elsewhere in that chapter (see, for example, sub-section 3.9.4). As noted in Chapter 4 (sub-section 4.1.2), one of the subsidiary research questions in this study concerns the extent to which models derived from governance theory appear relevant or helpful in explaining or characterising the roles of higher education governing bodies. It is therefore appropriate now to consider the predictions with regard to potential governing body roles derived from governance theory in relation to governing body members' and attendees' perceptions of these roles that were presented and discussed in Chapter 6. In addition, further consideration will be given to the data specifically concerned with governance theory derived from the discussions with most of the interviewees of the matrix of selected theoretical perspectives on governance (see sub-section 4.3.3 and section 5.7).

### **7.8.2 *Governance theory and challenge and support***

Challenging the executive, and holding them to account, is seen as the primary role of the non-executive members of boards according to agency theory (see sub-section 3.3.2). The identification by both governing body members and attendees of a prominent role for governing bodies in

challenging the executive suggest that there are times when the tenets of agency theory are potentially applicable to higher education governance. Supporting the executive, and working in partnership with them, is in contrast often associated with the stewardship perspective on governance (see sub-sections 3.3.6 and 3.8.1), although it has also been associated somewhat less positively with managerial hegemony (sub-section 3.3.7). The existence of dual roles associated with 'control and collaboration' has also been recognised, sometimes in connection with concerns that tensions will thereby arise that will have adverse affects (Cornforth, 2003a; sub-section 3.8.1).

There is, however, little evidence in this study that the governing body members or attendees found there to be any contradiction in governing bodies sometimes challenging the executive, whilst at the same time also behaving in ways that were supportive of the Vice-Chancellor and the executive. Indeed, there was very little indication that the classic agency problem of senior managers serving their own and not the organisation's interests was perceived to exist. This was implicit in the interview data, and explicit in responses to the matrix of selected governance theories, of which agency theory was one. As illustrated in Chapter 5 (Table 5.11), only a minority of interviewees saw agency theory as relevant to their institutions' governance, and no-one saw the issues associated with agency theory as being the most prominent in their institution. Instead, rather more people stated explicitly that the tenets of agency theory were not applicable. Viewed on an institution by institution basis, agency theory was most clearly rejected at NewMill university. The possibility that agency effects might occur was most widely

accepted at Greenfield university, but even here respondents still associated governance at Greenfield much more strongly with the tenets of stewardship and stakeholder theory. Overall, stewardship theory, with its association with the idea of supporting the executive and, thereby, the institution, was regarded as the most relevant theoretical position by all categories of respondent and in almost all the institutions. The only clear exception was TownMod university where views were mixed, with stakeholder theory accorded on significant credence, but also a strong and unique recognition of managerial hegemony – and therefore of somewhat unquestioning support for the executive (and for the Vice-Chancellor in particular).

#### *7.8.3 The relationship of governance theory to the advice and guidance role*

In the case of the strongly identified and distinct role for governing bodies in offering advice and guidance, with regard to governance theory one is again in the territory of stewardship theory and, to some extent, managerial hegemony. In the higher education context, stewardship theory, and the associated idea of trusteeship, sees governing body members working collegially with executives to preserve and sustain their institutions. Many external governing body members clearly identify very closely with their institutions and saw their roles as offering advice and guidance in this context, which is line with the tenets of stewardship theory.

Turning to managerial hegemony theory, despite the negative connotations often associated with it when the provision of support for the executive is too uncritical, if associated with the explicit provision of advice

and guidance it potentially becomes less negative. This possibility is illustrated by the attitudes towards theoretical perspectives at TownMod university where, as noted just above, managerial hegemony was strongly endorsed as a partial model for the governing body's activities, and was not regarded as an inappropriate approach.

#### *7.8.4 Governance theory and the linking and ambassadorial roles*

In the case of governing body members and attendees identifying roles in relation to linking institutions to the outside world, and for external members in particular in acting as ambassadors for their institutions, such roles can be related to stakeholder theory and resource dependency theory. In the case of stakeholder theory (see sub-section 3.3.5), Hung (1998) sees it as central to the co-ordination of organisations' activities with their wider communities, which can be very extensive and very widely defined (Freeman, 1984).

Turning to resource dependency theory, this assumes that board members link organisations to facilitate access to resources and to regulate interdependence (Hillman, 2000; Hillman *et al* 2000, 2009; Hung, 1998; Pfeffer, 1982; see sub-section 3.3.7). In the higher education context, there is clearly the potential for governing body members to link their institutions with a wide variety of organisations, in both the private and public sectors, and with government and its agencies, although the extent to which this was perceived as happening in practice clearly varied from institution to institution, being least prominent at the two most traditional chartered institutions (Civic and Greenfield; see Table 5.1, p 184). In all institutions, benefit was nonetheless

seen as accruing to the institutions through the actions of governing body members in making and using their links outwith their institution on its behalf, and in acting more generally in an ambassadorial capacity.

In terms of the data obtained through the governance theory matrix, this was silent with regard to resource dependency theory, as this was not one of the theoretical perspectives included in the matrix (see sub-section 4.3.3). However, the stakeholder theory was seen as the second most relevant theoretical perspective after stewardship theory across all the institutions where the governance theory matrix was considered.

#### *7.8.5 Governance theory and governing bodies' roles in relation to institutional strategy*

In relation to theoretical perspectives on governance, Hung (1998; see section 3.3) associated the strategic role of the board firmly with stewardship theory. He noted, however, that even in that context the extent of the board's involvement in strategy formulation has been debated. Huse (2007) and Stiles and Taylor (2001, 52-53) also associated boards' involvement in institutional strategy with stewardship theory. In Huse's case this was because of stewardship theory's emphasis on ideas of collaboration and mentoring. Stiles and Taylor considered in addition the concept of passive and active boards (Stiles and Taylor, 36-37, particularly Table 4.1). They noted the lack of board involvement in strategy in the former category, and the stronger strategic role of boards in various active categories.

In the higher education context, the notion of passive and active boards was discussed by Berezi (2008; sub-sections 3.9.4 and 8.6.3). Like Stiles and Taylor, he associated 'active' governing bodies as operating in accordance with the tenets of stewardship theory. Schofield (2009) discusses stewardship theory in his study of effectiveness in governance and notes its link to governing bodies' roles in relation to strategy development and decision making. He also suggest that stewardship theory supports the idea that governing body members should be chosen because of their specialist knowledge and expertise, which can help them support the institution, and develop its strategy, through the advice and guidance they are able to offer.

#### 7.8.6 *Attitudes towards educational character*

From the perspective of governance theory, the attitudes displayed by higher education governing body members towards educational character and academic activities more generally place one in the territory of institutional theory and managerial hegemony, in the terms of the definitions used by Hung (1998; see sub-section 3.3.7). Hung associated the institutional theory perspective on governance with the idea of boards fulfilling a maintenance role, 'identifying with the societal expectation of [the] organization' and with boards limited in their actions principally to maintaining the *status quo* (Hung, 1998, 105, 107). From the managerial hegemony perspective, the connotations are of the board as a 'rubber stamp'. However, although such a perception was not totally absent from the views of the people interviewed in the study, it did not surface in the context of the governing body's role *vis-à-vis* educational character. The managerial hegemony perspective, as used in



a wider context, is probably too negative to be strictly applicable here, because governing body members both recognised their ultimate responsibilities and by and large seemed content to place reliance on the executives, and the wider academic body, particularly as represented in senates and academic boards, to engage with educational character and detailed academic matters on their behalf.

## **7.9 Conclusions**

### *7.9.1 The evidence about board roles from other studies of governance*

Evidence from other studies of governance, both in the private sector and elsewhere in the public sector show, suggests that aspects of almost all the roles identified in this research can be shown to exist in the governance arrangements of other types of organisation and institution. In relation to board roles in challenge and support, recent evidence from the UK private sector (see sub-section 7.2.1), as presented for example by Stiles and Taylor (2001) and Roberts *et al* (2005), shows strong support for the contention also supported in this study that board members felt able both to challenge and support their executive colleagues. In the UK public sector (see sub-section 7.2.2), the evidence also suggests that the importance of both challenge and support is recognised, but that in some situations – such as those found in the NHS – challenge is not always seen as particularly effective, and challenge and support are not as well reconciled as they seem to be in the higher education sector.

In contrast to challenge and support, the roles perceived to exist by the governing body members and attendees involved in this study in relation to the provision advice and guidance, and acting in an ambassadorial capacity, appear to be less strongly paralleled in other governance arenas. These roles are therefore not recognised, or are subsumed within discussion of providing support for the board or governing body more generally.

The importance in principle of board and governing body roles in relation to institutional strategy and its development has been very clearly identified in a wide range of other studies of governance. However, boards' engagement with institutional strategy has often been found to be limited. Although in some instances boards can be seen to play a leading role in strategy initiation and development, this appears only to apply in a minority of cases, with there being considerable variety in the extent of board or governing body involvement in strategy development across both the private and public sectors - as shown, for example, by Cornforth and Edwards (1999), McNulty and Pettigrew (1999), Ashburner (2003), Farrell (2005) and Storey (2011) (see sub-section 7.5.1).

In higher education governance, it was noted above that Berezi (2008; see sub-section 7.5.2) suggested that there were two categories of governing body - passive-reactive and active-proactive. The responses of governing body members in this research, however, gave no impression that any of their governing bodies were generally passive. The picture of engagement specifically with institutional strategy was also far from passive, and was more

nuanced than seems to have been the case in Berezi's study, not least because in most instances my findings do not imply that governing bodies take the lead in strategy development, whereas Berezi felt this was the case for the institutions where he identified governing bodies as being 'active-proactive'.

Turning to engagement with educational character and with academic activities, the widespread prevalence of the view held by governing body members in this study that this was best left to academics is striking, as is the fact that this view was held strongly by both external and internal governing body members. This outcome is noteworthy both in the context of the formal external requirements and expectations placed on governing bodies and because there was clear recognition by governing body members of their ultimate responsibility in this regard. It is also notable in this context, as noted in chapter 6 (sub-section 6.4.7), that while a small number of governing body members, particularly some internal executives, saw that benefits might be gained from the presence on governing bodies of more external members with experience of higher education, most respondents saw significant potential drawbacks in this regard.

The final governing body roles reviewed above (section 7.6) in relation to the attention paid to them in other studies of governance concerned compliance with legal and statutory responsibilities, risk management and assessment, and the issue of leadership. In all three cases the findings from most previous studies are broadly in line with the findings from this research.

### 7.9.2 *Implications of governance theory*

The consideration of governance theory and its implications, both in relation to the wider literature and the data gathered in this study through the presentation of a matrix of selected governance theories to governing body members and attendees (see sub-section 4.33 and section 5.7), has shown a strong association of the tenets of stewardship and stakeholder theory with higher education governance. While the possibility of executives behaving in the ways predicted by agency theory was recognised by interviewees, there was very little evidence that agency theory was regarded as a good predictor of the nature of higher education governance. Managerial hegemony theory has also been shown to be recognisable by governing body members, albeit much less commonly. In addition, aspects of other theoretical positions have been seen to have explanatory value, such as resource dependency theory (see sub-section 7.7.4).

While it has been seen both above, and in chapter 3 (sub-section 3.8.4), that theoretical perspectives of governance have not often been considered in detail in previous studies of higher education governance in the UK, where such perspectives have been discussed those most often associated with higher education governance have been, as in this study, stewardship and stakeholder theory. However, this study shows that it is also important to recognise that no single theoretical approach to governance is likely to capture all aspects of the roles of governing bodies. In other studies of higher education governance the benefits of the adoption of a multi-theoretic or hybrid perspective have been recognised and supported by

authors such as Llewellyn (2007) and Schofield (2009). In addition, the potential validity of an approach of this kind has been discussed in relation to other areas of the public sector in the UK by, for example, Cornforth (2003a) and in the private sector by authors such as Hung (1998).

Overall, therefore, the evidence from this study strongly supports the idea that no single governance theory is likely to predict or explain all the roles governing bodies perform. Instead, it is possible to recognise and associate the tenets of different theoretical positions with different governing body roles. For example, while the presumptions of agency theory are not seen as predominant factors in higher education governing body interactions, it is clear that individual senior executives may still have the capacity occasionally to pursue their own interests rather than wider institutional interests. Governing body members need to recognise this, and to be able in terms of their role in challenging the executive to guard against it. In similar vein, while recognising the importance of the tenets of stewardship theory in facilitating the governing bodies' roles in supporting and sustaining the institutions for which they responsible, this needs to be set alongside and balanced with the importance of recognising the rights of stakeholders, and of governing bodies' roles in facilitating links between their institutions and different internal and external stakeholder groups. While it is therefore necessary to accept that no single governance theory can explain all aspects of corporate governance, by adopting a multi-theoretic approach and taking account of a range of different theories, many aspects of the extent and variety of governing body roles can be explained and predicted.

## **Chapter 8: Perceptions of effectiveness and how to achieve it**

### **8.1 Introduction**

#### *8.1.1 The variety of factors associated with effectiveness in governance*

As noted in Chapter 5, in the case of governing body members' and attendees' perceptions of the factors they felt contributed to achieving effectiveness in governance, there was more variation and greater fragmentation in their responses than in the case of perceptions of governing body roles. A range of factors seen as contributing to effectiveness was however identifiable, and these were summarised in Chapter 5, particularly in sub-sections 5.3.2 to 5.3.4. In addition, in Tables 5.3 and 5.5 (pp 194 and 196) the degree to which different factors contributing to effectiveness were identified on an institution by institution basis, and by different categories of governing body member, was set out. These data were supplemented, in Tables 5.4 and 5.6 (pp 194 and 197), by a similar summary concerning additional issues discussed by governing body members and attendees in the context of effectiveness. As with perceptions of governing body roles, relatively limited differences were apparent when the data were considered on an institution by institution basis or by category of governing body member. The data about factors recognised as contributing to, or otherwise associated with governing body effectiveness will therefore now be considered in more detail focussing at the level of the quintain. The bulk of the data will again be

drawn from the transcribed interviews with governing body members and attendees, but where relevant the data from the study of meeting documentation and from observation of governing body meetings will also be cited.

## **8.2 What is effectiveness?**

### **8.2.1 *Effectiveness as difficult and hard to pin down***

As the primary focus of one of the principal research aims of this study, effectiveness was raised as a specific question during most of the research interviews (very occasionally an interviewee mentioned the subject first). A very wide variety of views were prompted, to the extent that there seemed at times to be almost as many views as there were interviewees. In addition, a number of respondents identified effectiveness as an intrinsically difficult concept. There was therefore a strong sense from a number of people that effectiveness was a hard issue to grapple with; even board secretaries felt it was a difficult topic:

‘Crikey, crikey! That’s such a tough question, because it’s such a simple, I mean, you know. What is effectiveness?’ (CityMod 6, internal, attendee, not executive, secretary)

‘It’s quite a fuzzy thing to try and grasp.’ (ExCat 2, internal, attendee, not executive, secretary)

Effectiveness was also seen as problematic by some governing body members, both internal and external:

‘I think it’s an elusive concept.’ (Civic 10, internal, academic, non-executive)

'It's difficult isn't it, effective, what does it mean?' (CityMod 7, internal, student)

'It's terribly hard to pin down.' (Greenfield 2, external, deputy chair)

'Effective. I think it is a very good and a very difficult question to answer.' (ExCat 3, external, chair)

The perceived intrinsic difficulty of effectiveness as a concept, and the terms in which some respondents referred to it, almost certainly helps explain the wide variety of factors subsequently adduced by the interviewees taken as a whole. The difficulty for some people of wrestling with the abstract concept of effectiveness, as opposed to the relatively more tangible idea of a governing body role, may perhaps explain in part the greater variety and degree of variation from person to person in their responses as to what constitutes or contributes to effectiveness. This variety and variation might also relate to some extent to the constructed and ultimately subjective nature of individual perceptions in a study of this kind.

#### 8.2.2 *Differing conceptions of effectiveness*

Despite some people regarding effectiveness as a difficult concept, most interviewees were able to discuss it in concrete terms. In doing so, they spoke about the governing body carrying out its principal roles, and doing so well, or about good institutional performance demonstrating that the governing body was being effective. Governing body members also sometimes highlighted the importance of actions associated with specific powers of the governing body, such as appointing the Vice-Chancellor. There were further strands of narrative linking effectiveness to having particular structural



arrangements, or with practical issues, such having clear procedures, good information flows, skilled chairmanship and active participation by governing body members, with good interactions and mutual trust. There was thus a great variety in the ways effectiveness was defined, or exemplified.

### **8.3 Ways of being effective**

#### **8.3.1 *Carrying out accepted governing body roles well***

A common starting point was for people to see effectiveness in terms of governing body roles. For example, an internal, non-executive member of Greenfield university commented:

'Where the council obviously is very effective and very helpful ... is in providing expert advice to the university. ... In other respects as well, I guess, there are very effective links out through council from the university to wider communities ... the council is effective in ... linking the university with various parts of the outside world.' (Greenfield 1, internal, academic, non-executive)

An external at Greenfield also regarded the provision of good advice as a sign that the governing body was being effective, citing a specific example of the external members advising the university about loan funding. She also associated effectiveness with the commitment and eye for detail of individual governing body members, the benefits of having diverse viewpoints, and the governing body's role in appointing the Vice-Chancellor:

'You need people to read the papers and you need them to spot if there's something silly going on – so there's a certain amount of nit-picking, which is, I think, quite useful ... an outside eye picks up things. And with the diverse range of people, they pick up different things. ... 'The other very big thing which makes a difference of course is that we've recently, fairly recently hired a new vice-chancellor.' (Greenfield 2, external, deputy chair)

Further examples of governing body members associating effectiveness with carrying out the governing body roles identified in chapters 5 and 6 could be found in all the case study institutions. There were, for instance, references to appropriate challenge at the right level, to holding the executive to account, and to setting the direction for the institution:

‘What is effectiveness? I think it's good strong challenge, personally, but it's good strong challenge on the big stuff and keeping out of the small stuff.’ (ExCAT 4, internal, executive, Vice-Chancellor)

‘How do they hold the executive to account? That's a key measure of whether they're being effective as a governing body.’ (UniCollege 4, external, deputy chair)

‘I suppose at a fundamental level it's, you know, setting the direction for the organization, for the benefit of its stakeholders, you know, not just its students, but staff and others, and making sure that the executive, execute that, you know?’ (CityMod 3, internal, executive attendee)

### 8.3.2 *Good institutional performance*

Another common reference point for judging effectiveness was good institutional performance, linked in the first example to selecting the right Vice-Chancellor:

I think if you're effective, your institution or your organization is doing well. Because the governing council appoint the Vice-Chancellor, if they don't ... appoint the right person ... what does that do? So in a way it starts there, because you appoint a person and you, as chairman, you've got to make sure that they're doing their job.’ (NewMill 1, external, chair)

Judging effectiveness by reference to institutional performance was cited by another external governing body member at NewMill, with a rather stark reference to institutional survival:

‘Well, obviously the key things are whether the council is producing the outcomes that they are signed up to do. And one of the outcomes,

clearly, is the on-going financial and student success of the university. ... The test will be if we are all still here in five years time. I mean that's what, that's what the universities are facing now. That's a measure of effectiveness - if they're not here in five years time, they're not effective. ... So measure by outcomes is what I say.' (NewMill 5, external)

The Vice-Chancellor of TownMod university also associated effectiveness with institutional performance, focussing on 'two dimensions' of effectiveness:

'There are the obvious things about performance, in terms of finance, ... academic development – are things moving in a direction, and all the rest of it – financial stability, ensuring the jobs, making sure students have a satisfactory education. But for me as well it's about making sure that the institution has an appropriate engagement with where it is. ... There is [also] a social and cultural agenda ... So, that social, cultural, economic development, beyond the education of students, those dimensions, I think, are important for the board to think about where it stands, ... and we are measuring those.' (TownMod 2, internal, executive, Vice-Chancellor)

The importance of key performance indicators was highlighted by some people:

'The KPIs are about reviewing effectiveness ... the KPIs and progress on them come to council twice a year, as does the review of the risk register, and ... different areas of strategy ... and whether they're still moving in the right direction.' (ExCAT 2, internal, attendee, not executive, secretary)

Cautionary notes were, however, occasionally sounded about judging effectiveness in governance through institutional performance. An external at TownMod university, for example, started to relate effectiveness to institutional performance, but immediately stopped herself:

'The effectiveness of a governing body can be measured by, I suppose, looking at the overall perf[ormance] - I won't say the performance of the institution, that's not the right thing to say, necessarily. I can see that when we've discussed things, that when they come back to the board,

that there has been some measurable difference in what was discussed before. ... And so you can measure it by that.' (TownMod 5, external, sub-committee chair)

Reflecting on why she had 'pulled back' from citing institutional performance as an indicator of effectiveness, she added:

'What's a success? Of an institution? ... I suppose in a way I pulled back a bit because I started to think, is that more of a management, or is that more of a governor, governance issue? I think it is a mixture, but the management are the ones who have to do the day to day, to make it successful. We have to look at the long term success ... So it's different measures that you're talking about here. So that's why I pulled back a little bit.' (TownMod 5, external, sub-committee chair)

### 8.3.3 *The right structure, the role of individuals and behaviours and trust*

A further set of perspectives on effectiveness was associated with having what people saw as the right structure, and with the role of individuals, particularly the chair. Members' and attendees' behaviours were also seen as important, as was mutual trust.

Speaking about structural issues, Greenfield 3 commented on the importance he attached to the role of the finance and strategy committee:

'This is the kind of key steering committee of council ... where, really, the business of council is set and defined. And that meets much more often than council - it's virtually monthly. ... It's chaired by the chair of council, it's got ... the key lay members and a subset of the university members on it. And I think the effectiveness of the way our council works is very much driven by the work that that group does.' (Greenfield 3, internal, executive)

He added that previously the council itself did 'a lot of ... low level work - shaping ideas and so on', which 'led to very long, flabby discussions which didn't come to any conclusions', whereas the present structure provided 'a

much faster, more purposeful mechanism, which makes it work well'. He stressed, however, that this did not mean that the governing body had abrogated its responsibilities, because things got 'referred back' by council 'for further work'.

The secretary at ExCAT university spoke about the importance of 'the effectiveness of [the] committee sub-structure', suggesting that in particular:

'Audit and finance have a really crucial role in doing the more detailed work on council's behalf.' (ExCAT 2, internal, attendee, not executive, secretary)

In a related point, the relevance to overall effectiveness of governing body members being on sub-committees was highlighted by the chair of UniCollege:

'A test of whether [the governing body's] being effective is, is there a good range of governors involved in the sub-committees?' (UniCollege 4, external, deputy chair)

Turning to the question of the role of individuals and the relationships between them, an internal, executive governing body member at Greenfield university referred to the need for an effective working relationship between the chair, the Vice-Chancellor and the secretary, and the importance of having good personal interactions generally, commenting:

'If you actually had a hugely contentious council you can imagine it becoming totally ineffective, more or less, you know, all the time. (Greenfield 3, internal, executive)

A related point was made by an external member at Civic university about the chair contributing to effectiveness through her influence on other members:

'The chair is very, very good and I think that she is a bit like a conductor, d'you know what I mean? I think she plays a really key role and I think in any situation the chair does. So it's about ... bringing

people on, and perhaps softening them. So I feel it's more about an individual having a very clear view about how a council and particularly lay members would be effective.' (Civic 5, external, deputy chair)

Moving on to the question of individual behaviours and interactions more generally, and the need for mutual trust, the chair at Civic university, for example, felt that the personal contributions from governing body members, and their individual judgements about the outcomes of their participation in council, were more important than any formal processes that might contribute to effectiveness:

'To me ... council is effective ... if the members of council, whatever their derivation, whether they're students, academic or lay, or the executive team in attendance, feel that as a result of working together in council we're in a better place ... That people feel that they've had the opportunity to add value to the discussion and the debate; that they feel that they've been listened to and heard; and, that the view that they have is treated with respect, is treated with courtesy and is enabled to be considered by those who are in power.' (Civic 9, external, chair)

The secretary at ExCAT university also felt that the existence of mutual trust was an important indicator of effectiveness:

'If everyone within the council trusts each other, and has a good feeling about how things are going, you know, provided it's got hard evidence, as well, that things are going well, then, you know, I think that's pretty effective, if you ask me.' (ExCAT 2, internal, attendee, not executive, secretary)

The chair at UniCollege similarly emphasised the importance of trust between governing body members, and as a corollary of this, the desirability of ensuring that governing body members had opportunities to interact outwith formal meetings:

'What we need is a trust amongst the governors, in the other governors. A bit like privy council rules if you like, and that just comes

from getting to know each other, so another function of an effective board is that the members actually know each other. They don't just meet on the day. So, the college [has] dinners for the great and good of the surrounding [area], and supporting, whatever, you know? The governors are deliberately involved in that, to get to know each other, as well as other outsiders.' (UniCollege 4, external, chair)

Given the perception that people's interactions and behaviours can be significant contributors to effectiveness, with mutual trust and respect also seen as important factors, this leads to consideration of the nature of the people on the governing body, and their knowledge, skills and experience. The recruitment of governing body members was discussed in chapter 6 (subsection 6.4.5) and although the subject was not often raised explicitly in discussions of effectiveness, there was general recognition of the importance of having external members drawn from a range of backgrounds. At Civic university, for example, a deputy chair commented:

'You don't want a board to be homogenous ... you want a range of different views and a range of different backgrounds. ... People who've had very senior public sector careers ... understand the funding side and the interaction with government, [while] the ones with the business background probably have more to say about strategy and direction.' (Civic 6, external, deputy chair)

Another aspect of the importance of the make up of the governing body was highlighted by an internal, non-executive member at ExCAT, who felt that positive steps had recently been taken to improve the effectiveness of ExCAT's council:

'Council had a lot, kind of, of old codgers on it, who were people who the university owed something to, or people that the Vice-Chancellor ... and his colleagues knew and liked, like friends of theirs. They were overwhelmingly male, incredibly old, actually. ... I think the age has dropped and the gender ratio has improved dramatically, which, you know, I don't have any problem with the older men leading council, but

I think if that's kind of uniformly what your council is, then ... it kind of limits the views and it limits the perspectives and it limits the style ... I've seen that change quite a bit.' (ExCAT 1, internal, academic, non-executive)

This quote picks up issues about gender (the speaker was a woman), but also about the dangers of a common mind set developing if the members all come from similar backgrounds. The overall message is clearly that the diversity of governing body members, not only in terms of skills and experience, but also in relation to other factors such as age and gender, is potentially important in terms of governing body effectiveness.

#### 8.3.4 *The variety of views*

The range of comments about what constitutes effectiveness set out so far shows that a wide range of factors are regarded either as demonstrating effectiveness, or as the keys to being effective. These include:

- the governing body carrying out its primary roles well;
- good institutional performance;
- good leadership from the chair;
- having good relationships between key players, and between governing body members generally;
- selecting a good Vice-Chancellor; and,
- having the right sub-committee structure.

This variety of views did not, however, lead to any sense of disagreement between governing body members. Instead the impression given was that governing body effectiveness was multi-faceted, and could be legitimately related to many aspects of a governing body's roles and activities.



## 8.4 Practices that support effectiveness

### 8.4.1 *The value of clear processes and procedures*

Another aspect of effectiveness that arose in discussions across all the institutions concerned the need to pay attention to processes and procedures. An external at TownMod university, for instance, spoke about the need for the governing body itself to pay attention to its own processes:

'An effective board recognises what its own agenda ought to be ... 'cos it's very easy, when you only meet three times a year ... or four times a year ... to forget that you haven't seen anything on that for a while. So an efficient board knows its calendar too, it knows that with this regularity, with this frequency, we ought to be getting something which tells us about that, even if that means it's a ten minute report, and we can all file it away saying thank god for that, that seems OK.' (TownMod 4, external, deputy chair)

TownMod 4 was concerned, however, that there was sometimes a danger of being too rigid in terms of process, and that this might be exacerbated by relying too heavily on such things as codes of practice. So that 'you end up doing things for the sake of them' and thinking that 'because you've done them ... you're effective', whereas:

'If the processes have been done in isolation, without understanding what their real core purpose is, then you actually ... may not be operating very effectively. You know, I ticked the list, all the individual processes on this list are being carried out, does that add up to an effectively operating governing body – not in my view necessarily, not necessarily.' (TownMod 4, external, deputy chair)

For the chair at CityMod university effectiveness involved having the right people, the right types and quantities of information. This meant:

'Firstly, an ability in the process of the board meeting - whether it's in the meetings, or by telephone calls or by meeting - to reach consensus.

I think, if it's taking a long, long time to reach consensus on decisions of investment or strategy, then that becomes frustratingly inefficient. So the construct of the people on the board is quite important, I think, right?' (CityMod 5, external, chair)

He then spoke about:

'Trying to keep the papers a sensible density for people who mostly have day jobs, is I think a second part of board effectiveness. It is quite easy to bamboozle a group of people who are only, who are non-exec and partly involved in a place, by producing monumental reports, in which the facts, the dangerous facts, may be reported but they are buried in a lot of other stuff. So I think a good construction of the papers, a good orderly system of just indexing them, clear advice at the top.' (CityMod 5, external, chair)

And finally he stressed the need to keep the board interested ('interested boards are more effective'), by ensuring that meetings did not just involve the executive reporting all the time, because:

'The board will start to disengage, because it's all about throwing information at them, rather than the members feeling that they're actually part of the process of creating the future. ... I think you might look effective if all you were doing was fabulous financial sustainability governance, but I think after a while it would get weaker and weaker, because people would just get bored stiff and wouldn't read the papers.' (CityMod 5, external, chair)

CityMod 5 also referred to the importance of other practical issues, including good time management (see section 8.4.4 below), which he saw very much as his personal responsibility, and ensuring that he worked closely with the secretary and Vice-Chancellor to ensure that 'the board handling' was 'well rehearsed'.

The Vice-Chancellor at CityMod was also seized of the importance to effectiveness of practical matters, emphasising the need for all governing body members to attend meetings and to make contributions:

'The first one I think is that – this is really simple – board members attend board meetings. Right? No gaps, they attend. Sounds ever so trite, I know, but actually there's nothing worse than a board member missing a board, and you go back on the debate of the previous meeting, right? It's a real issue. I think - that's number one. Number two is that every board member participates in an appropriate way and adds their knowledge – i.e. we don't have any silent members round the board, so we've got a full range of issues.' (CityMod 2, internal, executive, Vice-Chancellor)

The actual practice experienced in meetings and the desirability of all governing body members participating was also a sign of effectiveness for an external at NewMill university:

'I mean, of course you can look at measures and you can say, you know, how many decisions go to the council and how many get passed and how long do the meetings last, and blah, blah, blah, blah, blah. But I think what you really need is to sit in some of the meetings and say, what's the debate like, how did it go? Who - does everybody contribute?' (NewMill 3, external, sub-committee chair)

In this latter regard, the observation of two governing body meetings at Civic university provided mixed evidence. A report of a recent review of the university's governance arrangements considered at one of those meetings prompted significant and, in my view, serious discussion of the issues raised (see sub-section 5.6.2), with contributions made by several external members. However, there were a number of other items that were clearly recognised as significant by many of those present, but that prompted little debate or discussion. There were some indications that this was due to issues having already been considered in detail in sub-committees, but in a couple of instances in the latter part of each meeting I also formed the impression – from observation of body language, and from people making quiet remarks to their neighbours – that some members were deterred from raising points

because of the length of time that the meeting had already taken and an unwillingness in that context to extend discussion.

#### 8.4.2 *Information flow*

Amongst the most important practical matters seen as influencing effectiveness was information flow. To some extent this was recognised as a perennial problem. As one internal, executive attendee, put it:

'There is an onus on us to try to make their time as efficient as possible, and we have gone through processes of trying to, you know, slim down papers for meetings - you can't win though, because you provide them with lots of information, they say they want less, so you provide them with less, and they say, oh, we can't make a decision because we haven't got enough. And you're always in that sort of ... seesaw, sort of, approach, yeah, from one to the other.' (CityMod 1, internal, executive attendee)

Similar issues had arisen elsewhere:

'You cut down on the amount of paperwork you send to council and then they complain that they haven't been given enough information, you give them more paper, they don't like it, and so you just sort of go in this kind of oscillatory manner.' (Civic 7, internal, executive attendee)

The question of the nature as well as the quantity of information also surfaced:

'There is always that tension, isn't there, between wanting to make sure that they get enough information, but equally that it's of the right sort.' (CityMod3, internal, executive attendee)

The views above demonstrate widespread recognition of the importance of trying to provide an appropriate amount of information to governing body members, and an understanding that it was often difficult to get the balance right. However, in a number of instances there remained a

strong feeling that governing bodies were still being given too much paperwork, sometimes far too much:

'It's very difficult for the executive to present information ... in a concise form, because there is so much. Now, they try hard, and they do a pretty good job sometimes; other times I think they just let themselves go and produce enormous papers which are unnecessary ... it becomes very difficult for lay members to fully absorb it. And I think that's one of the real governance issues, ... a lot of the time we ... [aren't] really governing; [we're] really struggling just to rubber-stamp effectively. ... not, not for any ill will on either side, the executive try to make it simple, the lay members try to understand it - but there is a huge volume of stuff that just comes through meeting after meeting, which makes it hard to stay on top of it.' (Civic 4, external, sub-committee chair)

An external at Greenfield university, while accepting that a great deal of information was supplied, nonetheless felt it was better to have it than not:

'We ... get masses and masses of information, [and] there is sometimes criticism from council that ... we get wodge of information, ... sort of paperwork that thick [*gestures*], ... I would personally rather have that, all that information.' (Greenfield 4, external, sub-committee chair)

It was also the case that some externals were satisfied with the information they received:

'In broad terms, I think the right information comes to us, at about the right time, ... and would and does enable the governing body to make reasonably sound decisions about how it advises the university to deploy its resources. There are things that we are required to do, and I think we are making those decisions with good information, eyes open.' (NewMill 4, external)

Other people, though, felt they received too little information and worried about the control of the information flow by the executive. These concerns were mainly expressed by internal members. The student member at Greenfield university commented:

'I don't think the information's always sufficient. ... So sometimes a proposal will go through that's very, very broad, ... to give that little bit of leeway to what the project's actually going to look like. So, all the information? Not always. I think sometimes things are made a little bit, erm, flexible for their, you know, their wider purposes sometimes.'

(Greenfield 5, internal, student)

An internal, non-executive at Civic university also expressed concern about sometimes getting insufficient information, through not being presented with alternatives:

'One of the tricky issues is capital expenditure. Every piece of capital expenditure gets signed off by council ... but it's an unsatisfactory form of decision-making, because, y'know, the decision you're presented with is perfectly logical and all the rest of it, ... but you have no sense of what else might be on the list. I mean, by committing six million to that, there must be quite a lot of other things we're never going to do, and therefore we have no, no view of that, and if you wanted council to be more strategically involved, you might have a dialogue about what the ... priorities were, which was informed by council.'

(Civic 10, internal, academic, non-executive)

This internal member also commented on the control of the information flow by the executive. Discussing whether the governing body would identify a potential crisis he suggested:

'It depends a lot on the information you're given, and who controls the information flow – the executive. ... Our, y'know, QAA<sup>1</sup> audit report was dealt with [recently] in a couple of oral lines by the VC – I mean, he wasn't even offering to show people the document. ... So, I mean, how well-informed would they be? ... I don't think a council would see, would be likely to see a limited confidence thing coming.'

(Civic 10, internal, academic, non-executive)

A similar point was made by the secretary of UniCollege, who reflected that:

'Their information flow comes from us, and if we're not, if we weren't prepared to tell them, they probably wouldn't get to know, would they? But we like to be open with the governors and we don't try and hide

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<sup>1</sup> QAA = Quality Assurance Agency

anything particularly. So I think our governors get a reasonable deal on that, you know. But if I, if I didn't want to tell them anything, then I'm not sure how they'd get to know.' (UniCollege 1, internal, attendee, not executive, secretary)

Interestingly, this governing body secretary summed up her view by saying that she felt responsible for making sure:

'That ... we're being *reasonably* transparent towards them.' (UniCollege 1, internal, attendee, not executive, secretary; my emphasis)

While the secretary at UniCollege therefore acknowledged the issue, but did not actually suggest that information had been withheld from the governing body, one of her internal, non-executive colleagues was nonetheless concerned:

'Well there've been a couple of issues, but ... and I'm not kind of looking for controversy, but I just think that openness is very important ... [and I think] some things are, er, somewhat sanitised when they reach governor level. When you look at a report and you think, mmm, well that's been glossed over. ... I would sometimes think, well, actually that perhaps doesn't give as full a picture as possible, and that's my concern.' (UniCollege 2, internal, academic, non-executive)

To set governing body members' comments about the amount of information they received in context, as noted in chapter 5 (sub-section 5.5.3), agendas, papers and minutes from four of the case study institutions (Civic, Greenfield and CityMod universities and UniCollege) were reviewed. This review showed that large volumes of paperwork were routinely received at each governing body meeting, particularly at the two chartered institutions, although many individual papers were quite short, consisting only of one or two pages. As also noted in sub-section 5.5.3, a corollary of the quantity of material received, and the number of agenda items, was that the time

available for the discussion of items was limited, even allowing for some material simply being received and not discussed. It is therefore perhaps not surprising that most governing body members perceived that they had a challenging amount of information to deal with in the context of the time available to them at each meeting.

#### 8.4.3 *Other mechanisms for obtaining information*

Having an appropriate flow of information through the formal mechanisms of the governing body was clearly seen as important, but for many people other ways of obtaining information were seen as just as important. An external from TownMod university, for example, felt that the internal, non-executive staff members made:

'[A] really important contribution, because they do see things from the day to day point of view. They are the people who are actually out there doing the job on the street. However you want to describe it, they're the ones that are in the departments and they are representing the vast majority of the staff that work there, you know, that's their role. Er, so, you know, they're gonna hear the complaints, they're gonna hear the good things.' (TownMod 5, external, sub-committee chair)

At Greenfield university the chair stressed the importance of both student and staff contributions, albeit being 'a bit disappointed' with the students:

'I'll just start with the student member. I've tried to give the student member of council a proper and sensible platform because at the end of the day, what are we all about, we're all about, you know, looking after the interests of the students. I've probably been a little disappointed at the quality of student representation that we've had. I think I'm on my third, as chair, and fourth or fifth as a member of council. We've only had one with real ability, and that's just, it's just disappointing because the platform is ever there, because I think it's very important that students have that platform.' (Greenfield 8, external, chair)



Turning to the non-executive staff, he added:

'I think two thirds of the non-exec members of council make sensible, considered and thoughtful contributions, and it is at the sensible, considered and thoughtful contribution level that they best operate. And their views are taken terribly seriously, as are the student's views taken terribly seriously.' (Greenfield 8, external, chair)

In the case of Civic university, one external said he had not expected students to be on the governing body, but to his surprise found their presence helpful:

'I was quite surprised when I turned up and saw students on council. And initially I was a bit taken aback and thought I could see that causing problems. As I've been on council longer, I've never seen it cause a problem, and actually I suspect I was wrong in my initial judgement. ... you know, students know what's going on in the university [and] at the end of the day undergraduates are our main business, although we talk about it surprisingly little, in fact. So I think having students on council is good.' (Civic 6, external, deputy chair)

In addition to there being a clear perception that the governing body as a whole, and external members in particular, benefited from information provided by non-executives and students in formal situations, there was also a strong view that more informal interactions were also helpful. For an executive attendee at CityMod university beneficial informal interactions could take several forms:

'One of the most beneficial aspects ... is not just [board members'] contribution in meetings, but the informal contact outside, before and after board meetings and at other functions. We have a sufficiently strong relationship just to be able to have an informal chat with [a board member]. The chairman of the finance committee, if there's an issue he's concerned about, he'll pick the 'phone up, and likewise if the VC and I have talked about something and we think ... it'd just be useful to run it past the chair of the finance committee, and not wait for the next formal meeting, that's hugely valuable.' (CityMod 3, internal, executive attendee)

The perceived benefits of informal contacts were even extolled by people who felt that opportunities for such interactions in their institutions were presently limited:

'I'm quite a keen believer in, if you have your meeting – and we don't do it at the moment, we're going to try it next year – that if you've had your meeting, well then let's now gather together for a glass of wine, and a bite to eat, and talk in a buzzy room. So that, in a sense, if you've got two or three over here, a little bit concerned about the way a debate went in the full board ... you can almost pick that up straight away and carry it round the room, and see whether people, [or] the chair feels we should return to it. I'm more comfortable in that than governors 'phoning one another. (TownMod 4, external, deputy chair)

Information flow was therefore an important practical concern for governing bodies, both from the perspective of external members, and that of executives and others with a duty to provide information. There was evidence that all institutions had wrestled with this issue, and that they had succeeded to varying degrees. It was also clear that informal mechanisms for the provision of information were important.

#### *8.4.4 Meeting management and related issues*

Other practical factors seen as important in governing body effectiveness included aspects of meeting management, how frequently meetings took place, and how much time governing body members devoted to their roles outwith formal meetings. The size of the governing body was also discussed by some people, but there was no general sense of pressure for change.

The most important aspect of meeting management was perceived to be the role of the chair. This was highlighted by a variety of interviewees, including chairs themselves. For example, the chair at CityMod university stressed the importance of good time management and accepted personal responsibility for it:

'The final thing's time management, I think. And that's just down to the chair really. It's not my strongest suit, but ... you have to get to a position, it's taken me a year, to feel that I was sort of like in control in the board. ... I mean there are typically 30-odd people in those rooms ... [You need] to work with the secretary, before[hand] ... so the board handling is well rehearsed between your Vice-Chancellor and your secretary, so that you can get, you know exactly who to go to, to each question, and that's about efficiency.' (CityMod 5, external, chair)

The importance attached by the chair to their role in the management of governing body meetings was also illustrated at ExCAT university, where changes had recently been made:

'I think a very clear change is the way in which we actually set our agenda, in as much as we set the agenda with a very clear focus on a small number of issues that we want to discuss in detail, because we are adding value to the thinking or whatever the purpose is. And then [we] shift ... other issues, which we need to review, [to] consider from a governance point of view, but arguably we don't need to spend, y'know, too much time on.' (ExCAT 3, external, chair)

The chair's own perception of these changes and, indeed, his role in making them, was echoed by an internal, non-executive member:

'I think that a lot of it is to do with how you manage the information and the meetings and that kind of thing. ... The chair is very good – he has changed the way that information is presented. We clearly know when an item is just to be, kind of, signed off, and we've just got to be aware of it, versus items that need a discussion and a debate. And I think that probably effectiveness is about having a situation where people are prepared to just rubber stamp the things that need to be rubber stamped or to be filed away, but then to have quite a frank and honest

debate about the, about the other issues. I think that's something that we achieve quite well.' (ExCAT 1, internal, academic, non-executive)

Other aspects of meeting management that were cited as having had an impact on the effectiveness of governing bodies included providing an appropriate setting for meetings, finding the best time for meetings to be held, and the problems of long meetings.

In the case of the frequency of meetings, this was not seen as an issue by most governing body members, although some people had considered whether their governing body should meet more often:

'My honest answer is I'm not sure. ... Unless the role of councils changes quite dramatically, I think more frequent meetings of council are not really appropriate, and I think we should recognise there is an awful lot of work going on to prepare for council meetings and you kind of want the executives to be getting on with their jobs and ... actually putting into action what the council have decided, rather than constantly prepar[ing] for, for endless council meetings. Er, and there's a temptation there I think of the council starting to merge into the executive, you know. If you are meeting that frequently, you, I think it's changed from a strategic body into a sort of an operational body. So I certainly wouldn't want to see councils meeting significantly more frequently.' (ExCAT 3, external, chair)

The issue of the amount of time governing body members were able to devote to their roles outwith meetings was also not generally of concern, although a small number of people highlighted issues such as the possibility that high status or high profile external members might not be able to devote enough time to their governance role:

'I think one of the key things about a governing council is the amount of time its members are prepared to put in. You have to be very careful if you have captains of industry, because they're so busy running their industries, especially in times of recession, that they don't have

sufficient time to put in to their university commitments.’ (NewMill 5, external)

Another occasional concern was with the perceived difficulty of making a contribution as an external if you just attended the main governing body meetings:

‘I feel sometimes that ... unless you do get ... involved in a number of different committees, then it must be very difficult for somebody who turns up five times a year to really understand the issues and the personalities that are involved, and how they cross cut. ... I think if I wasn’t involved like that, I would think I was just rubber-stamping something. So I think that’s, that’s where we make a contribution. (Civic 4, external, sub-committee chair)

So the time external members could contribute was for most people not an issue, but others felt that it could be, and that they had encountered circumstances in which some externals - of a kind that might in other ways be potentially attractive as members – would in practice be less useful because there were too busy to devote enough time to their governing body roles. One way of dealing with this that has been suggested is to remunerate governing body members. This is something of a contested issue, albeit it is at present the policy of the Committee of University Chairs (CUC) and the Higher Education Funding Council for England (HEFCE) that most governing body members should not be remunerated (CUC, 2009, 24). The chair at Civic university commented that she was personally in favour of remuneration for governing body members, but that she recognised that her colleagues taken as a whole were not. Her concern centred on the problem that some people might not be able to become governing body members because they could not afford the loss in income it might involve. Externals elsewhere were either

ambivalent about the idea of paying governing body members or clearly against doing so.

Turning to governing body size, all the institutions in the study have governing bodies that conform with, or in one instance come close to, the recommendations set out in the CUC Governance Code of Practice, which suggests that having 'no more than 25 members' is 'a benchmark of good practice' (CUC, 2009, 41; see Table 4.2, p 142). Most of the interviewees who expressed a view appeared to feel that the present size of their governing bodies was about right, or that whilst there might be some benefits to having fewer people at meetings, this would be offset by problems that would then arise about breadth of knowledge and experience, and the practical difficulty of there not being enough members to fill all the sub-committee positions in the governing body's sub-structure. For example, the Vice-Chancellor at CityMod university commented:

'The board here used to be about 24 externals and we've brought it down to about 17, 17 or 18, something along those lines. It works at that size. Yeah, I can hanker after a smaller board in one view point, but if I start doing that I find I can't populate the various groups that need ... it, right? ... On the question of how many non-execs there should be on the board as well, you know, I think we're about, we're about balanced. And actually, in terms of the board structure, I wouldn't change it here, but that may well be because I've had a hand in putting it together!' (CityMod 2, internal, executive, Vice-Chancellor)

The Vice-Chancellor at TownMod felt very strongly that small boards could be problematic, particularly where staff and student representation had also been reduced:

'It was not a surprise to me that where boards have shrunk, and got rid of staff and students, there's been trouble. I think that tells you about a

mind set, and it's not a proper one.' (TownMod 2, internal, executive, Vice-Chancellor)

There was also support for having a 'fair-sized' governing body at NewMill university, with one external (NewMill 3) flagging up that having more, rather than fewer members, helped allow for some members making more limited contributions than others, and provided more routes to link the university and its locality.

Overall, although a small number of governing body members and attendees were concerned about the amount of time some external members devoted to their governing body work, this was not regarded as a significant issue. There was also relatively little indication of a desire for governing bodies to meet more frequently. When the idea of remunerating the external members of governing bodies was added to the mix, whilst one or two individuals were in favour of doing so, there was a strong feeling from most people that it would not be appropriate at present to remunerate all external members. There were also no serious concerns about governing bodies being too large.

#### *8.4.5 The importance of processes, procedures and people*

In this section it has been shown that there is a strong and widespread perception that effectiveness in governance is dependent on governing body members paying attention to detail and to process, and to their having a relevant and diverse range of knowledge, skills and experience. These points are manifest in a number of ways, including:

- understanding the annual cycle, and what reports, etc, should be coming up when;
- knowing what will happen in a variety of situations, such as how matters will be handled if an urgent decision has to be made;
- having the 'right' people on the board, keeping them interested, and ensuring that they are involved and committed, and contribute to the work of the governing body;
- ensuring that the right type and quantity of information is provided, and that it is well-presented, with clear advice from the executive when appropriate;
- ensuring that meetings are well run, with good time management, and good preparation by key individuals beforehand, with the role of the chair being crucial.

These points of detail or process may not of themselves ensure that a governing body is effective, as they do not relate directly to the substance of governing bodies' primary roles. However, it seems reasonable to conclude that governing bodies will be more likely to be effective when attention is paid to matters of this kind, and to the composition of the governing body and the ways people interact, than if these operational issues are neglected.

## **8.5 Other aspects of effectiveness**

### **8.5.1 *Measuring effectiveness***

A number of the comments about effectiveness that have already been cited blur the distinction between what constitutes governing body effectiveness, and how it might be measured. However, where respondents made their views on measuring effectiveness explicit, those views were



mixed. Some interviewees felt that most attempts to measure effectiveness focussed too strongly on process and that this was not useful. This view was perhaps most energetically expressed by an external from Civic university, who said:

'Well that's a bit of a personal bugbear of mine here. [As] I ... have seen in so many businesses over the years, people measure process ... and I think it's a complete and utter waste of time. What you want to measure is outcomes.' (Civic 6, external, deputy chair)

He went on:

'It's outcomes that matter, and people love measuring process because it's easy. You can hit process targets every time, you can't hit output targets, if they're financial or whatever, every time. So, when people say to me, we've developed a code of practice, or a set of standardised KPIs, ... I always cringe. Not because those things are inherently bad, but because they're often mis-used and they're often used to disguise the situation, and I think in a big organisation like this ... where it's very difficult for lay members to understand the inner workings, it's very easy to get distracted into measuring process while the organisation is going down the tubes.' (Civic 6, external, deputy chair)

For the chair at Greenfield university, paying attention to two key issues was central to measuring effectiveness:

'I think you come back to some very, very obvious issues - the demand for your product and your overall financial health. I think they're two of the strongest indicators that there are, and the two are inextricably linked. ... You can have all the KPIs you like, and they are very useful measures at a point in time ... but at the end of the day, it's, I think it's very simple, you know. If you've got a good product and if you ... manage your organisation well enough, and you have ... a sensible balance sheet and sensible income and expenditure accounts, in a way [that's] its own judgment.' (Greenfield 8, external, chair)

However, as noted above (sub-section 8.3.2), KPIs were not always seen as a bad thing, and for some people they were very useful, perhaps even essential:

'[It's] very difficult sometimes for a board to know how effective they are being, [and] you've always got to be aware as a member of the council

... are we actually adding any value, and if we're not, we damn well ought to be. ... [We] struggled a bit with KPIs, and how they relate the governing body ... [but have] ... got to grips with it.' (NewMill 1, external, chair).

So despite the caveats offered by some governing body members, ultimately overall effectiveness was best measured, for the majority of people, by institutional success, sometimes on a wide, and sometimes on a small, range of measures.

#### 8.5.2 *Effectiveness reviews*

As well as discussing the measurement of overall effectiveness, some interviewees spoke specifically about periodic effectiveness reviews, and other review processes used on an on-going basis. With regard to the former, one of the institutions in the study (Civic university) was undertaking a periodic effectiveness review during the time when the research was carried out, and two others had recently completed such reviews (TownMod and Greenfield). In relation to the latter, the institutions in the study employed a range of mechanisms, including annual surveys of members using questionnaires, one-to-one meetings between the chair and the other members of the governing body, and in one case the inclusion at the end of the agenda for every governing body meeting of an explicit question as to whether members regarded the meeting they had just taken part in as having been effective. There were, however, varying perceptions as to the value of these procedures.

Periodic effectiveness reviews were only mentioned by a minority of interviewees, but where they were brought up attitudes towards them were

broadly positive. The chair at CityMod university gave as a specific instance of their utility the fact that differences had been revealed between the executives' views and the externals' views with regard to the governance/management boundary, and that this had been beneficial:

'We did an internal assessment of board effectiveness, and it was quite interesting that the, the executives' view of what we were good or bad at, was quite different to the non-execs' views. Well, not quite different, but there was enough difference so you could see the set that had come from the executive members of the board and the non-execs. And some of the execs thought that we were sometimes quite probing and, you know, asked some difficult questions and ... aren't you overstepping the line between the non-executive and the executive. I didn't think we were, but it's interesting that that is the feedback we've had. And again you wouldn't be very effective if you work with that horse's head on the table not being discussed for a long period of time. Now, because we've done an assessment and we know it, and we've shared it, and everybody knows we know it - it's not that the executive don't know that we know that - we've told them we know that. Erm, so I think that you have to keep that, you know, from time to time you have to get a consensus of what effective is, because what [the executive] think is effective might be we nod everything through really quickly. (CityMod 5, external, chair)

The value of undertaking periodic effectiveness reviews was also recognised at Greenfield university, where such a review was credited with leading to the creation of the powerful senior sub-committee which was regarded as key to the effectiveness of the overall governance arrangements (see sub-section 8.3.3 above). The most recent review was felt to have provided helpful reassurance about issues such as the size and composition of the governing body.

There was, however, also some scepticism about the value of effectiveness reviews. For example, an external at Civic university said that he had:

'... complained vigorously in the audit committee and in council each time we have gone through the effectiveness evaluation process ... because for me it ... means very little. For me it is simply ... anecdotal evidence ... because the questionnaire we fill in individually is really very, very subjective. ... On the whole, I think [we have] been fairly effective, and that's what I think emerges from ... the analysis of these questionnaires, but I think they could be, it could be done in a much more rigorous way.' (Civic 4, external, sub-committee chair)

Turning to continuous monitoring, the most developed approach was at ExCAT university, where effectiveness was considered at the end of every meeting. Commenting on this, the chair spoke about the importance of members being willing to express themselves frankly, and implied that routinely taking a self-questioning approach encouraged this:

'One of the things that we now do at [ExCAT], every meeting we challenge ourselves was that an effective meeting? Did we consider the right topics? Did we consider them in the right depth? Did we consider things that we shouldn't have been considering? And that's quite powerful, because, you know, we've got into a framework where people are prepared to say, well, look, chairman, I think we shouldn't have been discussing that really, you know, and/or we went off in a sort of crazy direction here.' (ExCAT 3, external, chair)

On the whole, effectiveness reviews appear to have become accepted parts of the governance landscape, and are regarded as positive exercises by most governing body members.

### 8.5.3 *Accountability*

Accountability was touched on briefly towards the end of chapter 6, when discussing the roles of governing body members in linking their institutions to the outside world (sub-section 6.5.4). There was, though, little mention of accountability in discussions of effectiveness. This seems likely to be because the subject was raised separately by the researcher with most of the interviewees. In response, notwithstanding the formal, legal autonomy of the institutions considered here, virtually all the people who commented accepted that their governing body was accountable to some degree to someone. The principal strand of accountability recognised was to people and organisations outwith the institution, particularly HEFCE. However, there was also a strong sense of being accountable internally, to students and staff. In addition, there was occasional reference to institutions' formal autonomy, and the need to protect and preserve this autonomy in the face of external influence.

With regard to accountability to the outside world, the Vice-Chancellor at ExCAT university saw the governing body as accountable to the public at large:

'I suppose I sort of feel that councils are answerable to the general public in a way, because they do actually still provide the majority of our funding, by some way, through their taxes. It's like NHS foundation trust boards and things, isn't it, that the general public should be there because it is their money being spent, and they are a shareholder in a way.' (ExCAT 4, internal, executive, Vice-Chancellor)

At TownMod university, the Vice-Chancellor was more specific, being very clear about accountability to the funding council, although not happy about

some of the requirements that HEFCE had then (2009-2010) recently been trying to change:

'Well, it's certainly accountable to the Higher Education Funding Council for England, and the financial memorandum makes that absolutely clear, and of course they are trying to harden up the financial memorandum, and I think we have now seen off some of the biggest excesses of that. But most certainly, if you take the money the piper calls the tune, so there is a clear accountability.' (TownMod 2, internal, executive, Vice-Chancellor)

Student members had similar perceptions:

'The thing with autonomous institutions is, they're not ever completely autonomous. I mean, let's be honest, we've got to get our money from somewhere. HEFCE are the ones that provide us with the majority of it, so they've got a vast interest in how we run.' (ExCAT 6, internal, student)

The Vice-Chancellor of TownMod university was not alone in being resistant to aspects of external accountability. For instance, a deputy chair at Civic university stressed his perception of the importance of autonomy in principle, while accepting that complete independence could not exist:

'I think actually one of the great strengths of British universities is that they are autonomous institutions. I think that's ... part of why British universities are still amongst the best in the world. But we're all fooling ourselves ... if we think we're completely independent, and the most obvious one is that ultimately the person who gives you the money generally gets to call the shots. And, OK, HEFCE's only, what, [less than half] our funding, but indirectly that, that gives them a lot more than [that amount of] influence. So you have to be very sensitive, and you have to be very aware of that, [but] I don't think that that affects how council thinks of its responsibilities, I don't think it should.' (Civic 6, external, deputy chair)

Moreover, this external saw the autonomy of the institution and the independence of the external members as enabling them to have a role:

'Holding HEFCE to account as well, in that it's much easier for a funding body to exercise control over the executives in an organisation, than it is over the non-executives. So ... one could imagine that they could be leant on to behave in a way that might not be ... viewed over the very long term, might not be the right thing, or it might be the right thing in the short term. Whereas I think the lay members can to some extent represent that sort of philosophical continuity of purpose of the university and resist some of those things.' (Civic 6, external, deputy chair)

In these perceptions, one therefore has recognition of the accountability in practice of higher education institutions to the outside world, both generally, and to government, as well as to HEFCE. However, one also has continuing support for the principle of institutional autonomy, and an indication that there are circumstances where autonomy needs to be defended, because it provides a basis for resisting outside interference.

Also recognised was accountability to staff and students, and sometimes to a wider community. An external at Civic university, who had a background in the NHS, while recognising the need to be accountable to 'the public and to our local community', was convinced that being accountable to staff was the most important thing:

'I feel very strongly about this. If you don't have a contented, supportive, and supported staff, you're not going to get an institution that functions in the way you would want it. I would use that argument within the hospital context, that if you're going to have a high standard of patient care, you've got to have a very contented well-motivated staff. And therefore the staff in my view are some of the most important. I would say that was true here as well. That I would, if I wanted to say who am I actually morally accountable to, I would say the staff, to make sure that they have an effective, harmonious, productive university, because if you have a disconnected staff you won't get that.' (Civic 3, external, sub-committee chair)

In contrast, an external at TownMod university put the focus squarely on the students:

'The students ... want to feel they got a good quality education and that they're proud of the institution which they graduated from. That's who we're accountable to and people will vote with their feet if they don't like it.' (TownMod 5, external, sub-committee chair)

while an internal, executive attendee, at CityMod university mentioned both staff and students:

'I think [the governing body members] are accountable to students, because ... we're all here to do a good deal for our students, and therefore governors have a key role in that and, you know, to the wider community and to staff as well. I think they are accountable to staff to ensure that the university continues to be healthy financially, that's it's viable, sustainable, all those sort of things. So I think there is an accountability, but it's in that broad sense of stakeholder, and you might put students and staff at the top of those, because if the governors get it wrong, as we've seen in some other institutions, you know, who is it that suffers?' (CityMod 1, internal, exec attendee)

Accountability was therefore both external, to HEFCE, and to the local community and the general public, and internal, to students and staff. Nonetheless, although accountability was widely accepted, it did not imply that the concept of institutional autonomy had been abandoned. Indeed, the legal principle of autonomy was viewed by some governing body members as a source of power and authority of use in resisting external pressures, and had recently been deployed to resist and ultimately ameliorate proposals by the HEFCE to amend the financial memorandum in 2009-2010.

#### 8.5.4 *Crisis spotting*

One final test of effectiveness can be considered – whether or not a governing body can help an institution identify and avert a potential crisis.



The question of whether governing bodies could identify critical issues was included in the protocol for the research interviews in this study partly because of the high profile problems encountered in 2009-2010 at London Metropolitan University (see sub-section 2.9.9). The 'London Met problem' also proved to be on the minds of a number of the interviewees. Indeed, recent problems in governance, including the London Met case, were the starting point for one Vice-Chancellor's comments, as he began his interview (in the spring of 2010) by remarking that governance was 'a hot topic' and referring to problems at the University of Gloucestershire, City University and London Met (his comments are quoted in sub-section 6.4.7, in relation to the merits of having governing body members with higher education backgrounds).

An executive attendee at Civic university commented on the London Met case as follows:

'I mean, if you just muse on the London Met situation, I don't think a governing body would ever have known there was a problem in that particular instance, ... [given] the HEFCE rules for completion, which are byzantine and antediluvian. ... It'd be very, very easy for that to be not ... surfaced at council. In fact, I suspect most of the executive team may not have known about it, because ... they're not necessarily chosen for their numerateness.' (Civic 7, internal, executive attendee)

An external at TownMod university highlighted in this context the problem of information flow to the governing body:

'The big shock for us is what happened at London Met ... what weren't they being told? Obviously they weren't being told anything. But, you know, that is the nightmare scenario for any governor ... they weren't being told, and they weren't asking the questions to be told. So, so, you know, that's frightening stuff.' (TownMod 3, external, sub-committee chair)

However, an internal, non-executive member at ExCAT university thought that London Met's governing body should have spotted that something was wrong. Speaking about the capacity of her own external governing body members to spot problems, she said:

'I'm quite confident that they would. I mean, ... like what happened at London Met, for example, ... I think there might be other things that they should have spotted, that were going on there, that should've raised a red flag.' (ExCAT 1, internal, academic, non-executive)

A student member at ExCat was even less forgiving:

'If they're checking over everything that comes through to them, then they should be able to flag things before it goes any further. As long as they're doing that - I mean, at London Met they should've picked up on the finances. There is no reason that they couldn't have went, oh, hold on, aren't we getting too much money here, you know.' (ExCAT 6, internal, student)

Another comment, on crisis spotting more generally, summed up the dilemma for governing body members:

'How can you know what you don't know? ... I would hope we get enough information to be able to smell a rat, if you like. I mean, there [is] continual pressure, particularly from the people who are accustomed to commercial company boards, to have less paper. Shorter papers, you know, just brief things. I think that would be a mistake, because I think in that way it would be much more difficult to spot something that didn't add up, that didn't smell right ... I'm not an accountant, accounting person, but you get a sort of feel for it if you've got the background papers.' (Greenfield 2, external, deputy chair)

So the problems at London Met (and elsewhere) provided a cautionary tale, and left some governing body members apparently thinking that it could have happened to them, although others felt that the problems at London Met should have been spotted. There were therefore mixed views about the likelihood of governing bodies being able to spot crises. There was also an

acceptance that the nature of some crises was such that it was inevitable they would come as a surprise, even to a good and effective governing body. There was recognition of the extent to which governing body members, and particularly the externals, were reliant on the Vice-Chancellor and other members of the executive to provide appropriate, and sufficiently complete information, alongside some stress on the importance of governing body members taking responsibility for asking the right questions and seeking information if they were concerned they might not be getting the full picture. This brings one back to practical issues associated with the operation of governing bodies, discussed in section 8.4 above, and the fact that how those issues are addressed can potentially help or hinder effectiveness.

## **8.6 Perceptions of effectiveness in other studies**

### **8.6.1 *The private sector***

As noted in chapter 3 (sub-section 3.6.1), there was historically a strong perception in the commercial sector in the US that boards were intrinsically ineffective, or incapable of fulfilling some of their intended roles, due largely to issues of managerial hegemony (Mace, 1971; Lorsch and McIver, 1989). Both Mace and Lorsch and MacIver suggested that board members' capacity to carry out their prescribed roles was adversely affected by having insufficient knowledge about their organisations, and that this was linked to control of the flow of information by management. Echoes of these concerns can be seen in some of the views discussed above, notwithstanding

the fact that the overall message from the governing body members in this study was that they felt their governing bodies were effective.

The work of Forbes and Milliken (1999; see sub-section 3.6.1), connecting overall board effectiveness with the board undertaking recognised control and service tasks, is also pertinent. They related effectiveness in addition to the board's 'cohesiveness', or 'the degree to which board members are attracted to each other and motivated to stay on the board' (Forbes and Milliken, 1999, 492-493). The responses from interviewees in this study has shown a strong association of effectiveness with Forbes and Milliken's idea of task performance, and a somewhat less sharply focussed, but nonetheless clear, emphasis on the importance of good interpersonal relationships and on loyalty and commitment to the institution served.

Relevant work from other researchers (see sub-section 3.5.1), such as McNulty and Pettigrew (1999), McNulty *et al* (2003), Nicholson and Kiel (2004) and Roberts *et al* (2005), and the conclusions of the Higgs Report on effectiveness (Higgs, 2003), associate effectiveness in governance with issues such as board structures, processes, policies and procedures, with board members' behaviour, knowledge and experience, and with cultural values, norms and motivations. All of these factors are reflected to some extent in the comments of the governing body members interviewed in this study. In particular, Roberts *et al*'s conclusion that effective non-executives displayed 'three linked sets of behaviours', which meant that they were 'engaged but non-executive', 'challenging but supportive' and 'independent

but involved' (Roberts *et al*, 2005, S6), is paralleled to a strong degree in the overall approach to their roles of the governing body members interviewed in this study.

#### 8.6.2 *The public sector*

The results of studies touching on effectiveness in public sector governance were also reviewed in chapter 3 (sub-section 3.6.2). Issues similar to those identified above were noted in the NHS by authors such as Ashburner (1997), Harrison (1998), Peck (1995) and Storey *et al* (2010), and their conclusions are again to some extent matched by the perceptions of interviewees in this study. There were, however, also some points of difference. Harrison, for example, suggested that the roles of non-executive board members in his study were not clear, but this was not a perception apparent in this study. He also noted the importance to the effective functioning of the board of the relationship between the chair and the chief executive, which has been echoed in this chapter. Peck's overall findings – essentially that the board he studied was ineffective – are also not matched in this study. There is also no evidence here that would support a conclusion like that of Storey *et al* about the negative impact of chief executives who are seen as too assertive.

Studies of governance in other parts of the public sector, or in the not for profit and voluntary sectors, such as those by Cornforth (2001a) and Cornforth and Edwards (1999), linked board effectiveness to things such as board members' skill and experience, the time they can spend on their board

roles, the agreement of clear roles and responsibilities for the board, and aspects of board process (see, again, sub-section 3.6.2). Some of these features were prominent in the responses of governing body members in this study, but others were not (such as the need for clarity in board roles and responsibilities).

### 8.6.3 *The higher education sector*

Turning lastly to other studies of the effectiveness of higher education governance, Bargh *et al* (1996) considered some aspects of effectiveness in governance (see sub-section 3.6.3), and found limits to the influence, and capacity to challenge, of governing body members; this was partly associated with their reliance on information from executives, and their lack of knowledge of higher education. They also found that governing body chairs, supported by an inner core of governing body members, had very strong influence. Bargh *et al*'s conclusions about the importance of information flow, and of interpersonal interactions, are reflected in comments from interviewees in this study, but others are matched less strongly or not at all. The evidence from this research suggests, for example, that not all institutions have clearly recognised core groups of particularly influential governing body members, and that where such groups do exist, they are regarded positively.

The more recent studies by Bennett (2001), Bott (2007), Llewellyn (2007) and Berezi (2008) (see again sub-section 3.6.3) all considered governance effectiveness to some extent. Although the basis for the derivation of 'effective governance factors' by Bennett was not entirely clear in all cases, his recognition of the complexity and multivariate nature of the

subject was important, and broadly matches the findings of this study. His conclusion that the non-executive staff and student members of governing bodies were generally less positive about their governance roles than external members is also perhaps echoed in the perceptions of such members interviewed in this research, albeit rather faintly and not uniformly.

In Bott's work on the role of the chair, the idea of a core group of governing body members again surfaces, this time in the context of the chair co-opting the support of such a group to ensure they can maintain their influence on the governing body as a whole. There was, though, no sign of such a perspective on the chair's role in this study, although the importance of the role of the chair and his or her contribution to the governing body's effectiveness more generally was stressed a number of times.

Llewellyn found that governing body secretaries had an important role in the context of effectiveness through their engagement with the chair and Vice-Chancellor. The role of the secretary did not feature prominently in the comments from interviewees in this research, although when they were mentioned, their roles were described in ways broadly in line with the conclusions reached by Llewellyn.

In the case of Berezi, he identified four 'determinants of effectiveness' (see sub-section 3.6.3). There are, however, some interesting differences of emphasis between the views summarised by Berezi and the views expressed by respondents in this study. For example, one of Berezi's determinants, 'induction and development', was only referred to in passing by the

interviewees in this study and was not highlighted as an important factor in determining effectiveness. The second of his determinants of effectiveness was 'compliance with governance codes and legal frameworks'. This was also not regarded in this study as of significance in determining effectiveness, being seen instead as a governing body role dealt with routinely and without much need for active intervention by governing body members (see sub-section 6.8.1). The third and fourth of Berezi's determinants of effectiveness – governing body members having appropriate 'knowledge, skills and expertise' and ensuring the 'achievement of the strategic objectives of the university' do however find parallels in this study.

Finally, if one turns again to Schofield (2009; see once more sub-section 3.6.3), he developed a complex set of enablers and outcomes of effective governance. Although his work was hardly mentioned by the respondents in this study, the complexity of the parameters he identified is broadly borne out by the diversity and variety of views about effectiveness expressed here.

## **8.7 Conclusions**

### **8.7.1 *Consensus as to complexity***

The views about effectiveness expressed by the participants in this study encompassed a wide range of opinions. Indeed, the impression gained overall was that there were almost as many perceptions as to what constituted



effectiveness in higher education governance as there were respondents. Nonetheless a number of strands can be detected. First, for some people, effectiveness was a difficult concept to grapple with. Second, there were governing body members from all institutions and of all types who associated effectiveness with carrying out particular governing body roles well, and who felt a governing body's effectiveness could be judged through institutional performance. Third, a variety of other factors were also cited as contributing to effectiveness, including:

- good leadership from the chair;
- having good relationships between key players;
- selecting a good Vice-Chancellor;
- having the right sub-committee structure.

There was, in addition, a strong and widespread perception of the importance of having clear processes and procedures, and of individual behaviours and interactions, which meant in turn that it was important to have people on governing bodies with the right mix of skills, experience and knowledge. Concerns about effectiveness often related to these issues and to such practical problems as information flow, the need to rely on the executive for data, and to perceived difficulties in how effectiveness could be measured.

Another issue related to effectiveness, albeit less directly, was the nature of governing bodies' external and internal accountabilities. There was recognition of the inevitability of accountability to HEFCE, as the most important single funding source for all the case study institutions. There was also strong recognition of accountability to stakeholders of varying kinds.

However, the accountability to HEFCE was tempered by assertions of autonomy. This was strongest in the chartered institutions, which were also arguably the most well-established institutions and the most confident institutions, but it was also apparent in some of the incorporated institutions. As an ultimate test of effectiveness, there was acceptance of the idea that crisis spotting was an important attribute of any effective governing body, and this was near the forefront of many governing body members' minds because of recent instances of governance-related difficulty in a number of universities, particularly London Metropolitan.

#### *8.7.2 Relationship of findings to other studies of board effectiveness*

One of the commonest areas of concern in other studies of effectiveness (see sections 3.6 and 8.6) relates to the incompleteness of the information available to board and governing body members. Perceived problems in this regard in some classic studies of the private sector, such as those in the United States by Mace (1971) and Lorsch and MacIver (1989) saw difficulty in this regard as inevitable due to executive control of information flow. Although potential problems in this regard have been recognised in more recent studies in both the private sector and the public sector in the UK (e.g. Stiles and Taylor, 2001; Roberts *et al*, 2005; Ashburner, 1997; Storey, 2010), they were not on the whole in these instance seen as causing significant. Instead, there was a stronger focus on governing body structures and processes, and on things such as the nature of governing body members' interactions, and knowledge, and on cultural values and norms. These findings generally align well with those of this study, where many of the

same issues were identified as being important. At the same time, while the issue of information flow, and the control of that information by the executive, was noted as a potential issue by respondents in this research, it was not perceived to cause any difficulties in practice, as opposed to the quantity of information supplied to governing body members, which was clearly perceived to sometimes lead to ineffectiveness.

Previous studies of governing body effectiveness specifically in the UK higher education context were shown in sub-section 8.6.3 to highlight some findings similar to those in this study, but also highlighted some differences. The latter included in particular the identification in other studies of a core group of more senior or more influential governing body members whose role diminished the effectiveness of other governing body members. This topic did not surface as a problem in this research, with in some cases there being no obvious perception that informal core groups existed, but even where they did (perhaps at Civic university, or embodied in the formal structure at Greenfield university) the over-riding perception appeared to be that effectiveness was enhanced, rather than diminished.

## **Chapter 9: Discussion and conclusions**

### **9.1 Introduction**

#### *9.1.1 The rationale for the study*

This thesis has explored English governing body members' perceptions of the roles and the effectiveness of their governing bodies. The context for the study, discussed in chapter 2, has included the shifting focus of attention on governance in higher education over many years, and related changes in the locus of power and authority in universities, culminating in the significant attention paid to higher education governance in recent years. This led to the development of new expectations and formal requirements as to the ways in which higher education institutions should be governed. Despite this, until recently only a limited amount of research into the sector's governance arrangements has been undertaken. In particular, there was until very recently little by way of empirical study of the perceptions of the people most closely involved in governance – i.e. governing body members. It was in that context that I decided that it was appropriate and timely to embark on the research reported in this thesis.

#### *9.1.2 The aims of the research*

The aims of the research were set out in chapters 1 and 4 (sub-sections 1.2.1 and 4.1.1). These aims were complemented by a number of more specific primary and secondary research questions, set out in sub-

sections 1.2.2 and 4.1.2. In this final chapter, I shall reflect on the extent to which my research aims have been met, and the degree to which the more specific primary and secondary research questions have been addressed. I shall relate the findings from my empirical research to theoretical perspectives, drawn from governance and institutional theory, the normative expectations of governance codes of practice, and the findings of previous studies of governance, as discussed in chapter 3. Conclusions will also be drawn as to the reasons why governing body members perceive the roles of their governing bodies in certain ways, and about their attitudes towards governing body effectiveness.

In addition to summarising the main findings of the study, and drawing conclusions about their relevance and importance, I shall also discuss the study's limitations, and possibilities for further research to extend or complement the work discussed here. Finally, I shall highlight what I believe to be the significance of the work I have undertaken, and the conclusions I have reached.

## **9.2 Perceptions of the roles of the governing body**

### **9.2.1 *The principal governing body roles***

The views expressed by governing body members and attendees (see sub-section 5.2.1) show that the principal roles of governing bodies are perceived to be:

- challenging the Vice-Chancellor and the executive management team;
- supporting the Vice-Chancellor and the executive management team;
- providing advice and guidance to the Vice-Chancellor and the executive management team;
- acting as a link with, and/or having an ambassadorial role to, the outside world; and,
- playing a role in strategy development.

In addition, although governing body members appeared to accept their ultimate responsibility in relation to a further role, that of:

- overseeing educational character and academic activities

they did not perceive it to be necessary, or appropriate, for governing bodies to play a significant role in this respect, preferring instead to let academic staff play the major role in these areas.

It was also possible to identify additional roles that emerged much less strongly in the interviews with governing body members and attendees, but whose existence was confirmed by consideration of documentary and observational data. These roles related to:

- ensuring compliance with legal and statutory requirements; and,
- paying attention to risk assessment and management.

Finally, it was notable that there was hardly any evidence that governing bodies were perceived as playing a leadership role.

When the roles set out above are compared to those expected of higher education governing bodies as set down by the Higher Education

Funding Council for England (HEFCE) and the CUC, and to the equivalent expectations of boards in the UK private sector, as promulgated by the Financial Reporting Council (FRC), there is some overlap, but there are also significant differences of emphasis, and some apparent lacunae, as illustrated in Table 9.1 overleaf<sup>1</sup>. Striking in the listing of roles in Table 9.1 is the fact that three of the five roles most commonly perceived to be important by governing body members in this study – providing support, providing advice and guidance, and acting as a link or ambassador to the outside world – are not identified as specific roles in either the expectations set out by the CUC and HEFCE, or in the requirements of the FRC in relation to the private sector. The absence of these roles from the formal expectations set out by the CUC and HEFCE and, indeed, the FRC, is perhaps explained by the relevant formal codes of practice (CUC, 2009; FRC, 2010) starting from the premise that as governing bodies and boards have the ultimate responsibility for their organisations, functions related to control, oversight and direction-setting should be privileged. It then follows that the governing body, or the board, should concentrate its attention on the oversight and control of management. The underlying attitude here is firmly that of agency theory and its assumption that senior managers need to be continuously and closely monitored.

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<sup>1</sup> Note: the roles perceived to exist by the governing body members and attendees interviewed in this study are set out in the first column in Table 9.1, rather than the normative roles prescribed by HEFCE, because the former include roles not separately identified as such by HEFCE.

Table 9.1: Comparison of perceived roles with expected roles

Roles perceived by governing body members in this study	Roles expected by:	
	CUC/HEFCE	FRC
Challenge (including hold to account, oversee and monitor)	Oversee activities of institution and monitor institutional performance	Scrutinise performance of the management and monitor reporting of performance
Support	(Not specified as a distinct governing body role)	(Not specified as a distinct governing body role)
Advise and guide	(Not specified as a distinct governing body role)	(Not specified as a distinct governing body role)
Act as link/ambassador to outside world.	(Not specified as a distinct governing body role)	(Not specified as a distinct governing body role)
Contribute to strategy	Determine future direction, and approve mission, strategic vision and long-term plans	Set strategic direction, constructively challenge and help develop proposals on strategy
(Very little mentioned – appeared understood but largely implicit)	Meet legal, statutory and regulatory requirements	Implicit re legal requirements; explicit re compliance with code (or explanation why not)
(Very little mentioned – appeared understood but largely implicit)	Ensure appropriate controls exist to assess and manage risk	Ensure appropriate controls exist to assess and manage risk
(Accountability explicitly recognised but not as a specific role)	Ensure accountability to stakeholders	Ensure accountability to shareholders
(Leadership role for board not recognised. Ensuring long-term success implicit)	(Not specified as a governing body role)	Provide leadership and ensure long-term success
(Not articulated as a governing body role)	(Not addressed explicitly)	Set values and standards
(Recognition that governing body members need to have mix of skills and experience, but ensuring that this is the case not seen as explicit role)	Nominations committee to ensure balance of skills and experience.	Board role to ensure that members to have right balance of skills, experience, independence and knowledge to operate effectively



In practice, as will be discussed below (sub-section 9.2.3), governing body members appear to recognise the importance of their control and oversight roles, but see it as appropriate for these to be primarily carried out by other parts of the overall governance structure, in the form of relevant sub-committees, and through the actions of staff such as the university secretaries and internal auditors. While control and oversight are recognised as being related to the need to pose appropriate challenge to the executive, most discussion of challenging the executive was not expressed in terms of thereby being able to control the executive.

The evidence summarised in chapter 5 and presented in detail in chapter 6 also shows very clearly that governing body members have a strong perception that they have a distinct and separate role in supporting the executive, as well as challenging them. They recognise that one way to be supportive is to provide advice and guidance, but they nonetheless perceive doing so as an important role in its own right, as was acting as a link between the institution and the outside world. These perceptions relate to a clear desire on the part of governing body members, particularly the external members, to see governing body roles in positive terms, and therefore to do things that involve them working together with one another and with the executives to contribute to the success of their institution. These attitudes come close to those found to exist in the UK private sector by Stiles and Taylor (2001), in their demonstration that board members felt that being too adversarial was counter-productive and that they were more comfortable working collaboratively, and by Roberts *et al* (2005), particularly in their

conclusion that effective non-executive directors were 'challenging but supportive' (see 7.2.1).

### 9.2.2 *Perceptions in relation to institutional strategy*

In relation to the governing body's role with regard to institutional strategy, there was closer alignment with the expectations of CUC/HEFCE code of practice. However, in most cases governing body members and attendees saw their governing bodies as contributing to, rather than initiating, strategy development. This contribution was regarded as being on a broadly equal basis in terms of extent and influence to that of executive, albeit with the executive providing the initial input. Detailed variations were such that at TownMod university, for example, there was a clear perception that control of the strategy development process resided with the executive, and the governing body's influence was less than at other institutions. This is perhaps explicable in the context of the view also held at TownMod that the overall approach to governance was associated quite strongly with managerial hegemony.

The most nearly balanced position with regard to influence on strategy was probably that at Civic university, where the governing body appeared to feel able to make more fundamental contributions than at other institutions, as there was scope for 'blue-sky thinking' (see sub-section 6.6.2). This perception is made somewhat more striking in that the executive was not regarded as weak in any sense at Civic university. Instead it seems possible

that some aspects of governance at Civic university may have been overall more collegial than in other institutions.

In contrast, governing body members at NewMill university stood out from their counterparts elsewhere, as they clearly saw themselves as taking the lead in both strategy development and initiation of the process – and sending the Vice-Chancellor away to write the strategy after their discussions (see, again, sub-section 6.6.2; the varying impressions of governing bodies' roles in relation to institutional strategy are summarised in Table 6.1, p 261). It seems likely that this may have been associated with the nature of the institution and its relatively recent transition to university status which had led the governing body to feel the need to exert more explicit control than governing bodies elsewhere in a number of ways (including engagement with educational character - see sub-section 9.2.8 below).

The conclusion that there is variability in the extent to which governing bodies are involved in strategy development matches similar findings in other sectors - for example, those of McNulty and Pettigrew (1999) or Stiles and Taylor (2001) for the private sector, and Ashburner (1997), Cornforth and Edwards (1999) or Storey (2011) for the public sector (see section 7.5). These conclusions are, though, not entirely matched by those reached in the recent study of higher education governance by Berezi (2008; see sub-section 7.5.2). He suggested that five of the seven governing bodies involved in his study led the strategy development process in their institutions. However, despite this Berezi still emphasised the collaborative nature of the strategy

development process, and concluded that it enabled external governing body members 'to have an opportunity to contribute to the strategic debates of the institutions' (Berezi, 2008, 221). Although, therefore, Berezi appears to have found more frequent instances in his research of governing bodies taking the lead in strategy development, his findings as a whole were broadly consistent with those in this study, in that governing bodies and executives were seen as working together to shape strategy, which the executives developed and implemented.

### 9.2.3 *Other governing body roles*

As shown in Table 9.1 (p 363), there were several roles specified by the CUC/HEFCE code of practice that governing body members made little or no explicit reference to. These involved ensuring that:

- legal, statutory and regulatory requirements were met;
- appropriate controls existed to assess and manage risk; and,
- accountability to stakeholders was recognised and demonstrated.

In relation to the first two of these roles, they appeared to be seen as routine aspects of governing bodies' overall responsibilities. As such, they did not require active engagement by the governing body in the same way as roles such as posing appropriate challenge, etc. Instead, they were facilitated through standard and formal governance structures (such as finance and audit committees) and through continuing activity overseen or carried out by management. The fact that such activities were being addressed, despite not being much discussed by governing body members, was confirmed by the evidence obtained from governing body documentation and meeting observation (see sections 5.5 and 5.6 and sub-sections 6.8.1 and 6.8.2).

The accountability of governing bodies was widely recognised (sub-section 8.5.3). It was not, however, regarded as a distinct role in its own right. Instead there was acceptance that in carrying out the other roles expected of them, governing bodies did so in the context of being accountable to a variety of internal and external stakeholders. Students were the most common focus for internal accountability, although some responsibility to staff was also recognised. The most frequently recognised aspect of external accountability was to the HEFCE, as the primary funder, and *de facto* regulator of the higher education sector. As one external member put it, 'the person who gives you the money gets to call the shots' (Civic 6, external, deputy chair).

Alongside accountability, views were also expressed, albeit less frequently, about institutional autonomy. It was recognised that there were limits to institutional autonomy in practice, but nonetheless some governing body members felt strongly that one of their roles was to defend that autonomy and that it was still possible to do this. This view arose partly in the context of governing bodies' resistance to the attempt by HEFCE (in the light of the governance problems that had arisen at London Metropolitan University in 2009) to amend its financial memorandum to give itself the power to require governing bodies to appoint a new accountable officer (see sub-sections 2.11.4, 8.5.3). It is therefore possible to conclude that while governing body members recognise their accountability, many of them still also regard institutional autonomy as relevant and meaningful.

#### 9.2.4 *Leadership, power and authority*

Extending the set of normative expectations about roles to include those specified by the FRC, another role which governing body members might perhaps have identified with was leadership. This was, though, not the case (see sub-section 6.8.3), and the concept of leadership by the governing body hardly arose. There was no indication that this was because it was such a deeply engrained activity that it was taken for granted. Taken at face value, this is not surprising, as the idea that higher education governing bodies might have a leadership role does not feature amongst the standard roles specified by the CUC or HEFCE (although it has very recently been introduced into the guidance on effectiveness developed by the Leadership Foundation for Higher Education (LFHE; Schofield, 2009)). However, since it is a specified board role in the governance guidance for the private sector, from which the majority of the external members of higher education governing bodies are drawn, the concept would be familiar, and leadership might have been expected to be seen as a governing body role; it might perhaps also have been thought to be implicit, given the reference to leadership in the title of the LFHE.

The attitudes displayed by governing body members towards leadership, and the association of leadership with the executive, rather than governing body, touches also, of course, on the question of governing bodies' power and authority in universities. It was noted in chapter 2 (see section 2.10 and sub-section 2.12.1) that the extent of governing bodies' power and authority has varied over time, and that by the 1960s there was a strong

current of opinion that stressed the desirability of academic supremacy in governance. Although governing bodies have subsequently regained much of their power and authority relative, for example, to senates and academic boards in institutions, the findings from this study do not suggest that their control of their institutions is absolute and untrammelled. Instead, and notwithstanding the statement in HEFCE's Financial Memorandum that

the governing body ... has ultimate non-delegable responsibility for overseeing the institution's activities (HEFCE, 2010a, 7)

the reality is nuanced, with governing bodies' ultimate authority recognised in principle all institutions, but with it very rarely being exercised, and overt power and authority being ceded for much of the time, in addition to leadership, to the Vice-Chancellor and the executive.

#### 9.2.5 *The selection of new governing body members*

The final section of table 9.1 (p 363) noted the expectations in private sector guidance that the board has a role in ensuring that members have appropriate skills, experience and knowledge. In the CUC/HEFCE guidance this role is associated with nominations committees, rather than with the governing body itself. People interviewed in the study recognised the importance of governing body members having a wide range of skills and experience, but gave no indication that the formal responsibility for this lay with governing bodies themselves. In this respect it appears that governing body members conform to the expectations of the CUC/HEFCE guidance and are content to leave oversight of the processes for selecting new members, and for ensuring that they have appropriately varied backgrounds, to

nominations committees, guided by chairs, Vice-Chancellors and governing body secretaries.

#### 9.2.6 *The relative importance of different governing body roles*

The order in which governing body roles were set out in section 9.2.1 was not intended to reflect the relative degree of importance attached to them by governing body members. While challenging the executive was often the first role discussed by governing body members, for many people supporting the executive was at least as important. This seemed to be part of a widespread desire by governing body members to accentuate the positive nature of the role of the governing body. This perception was perhaps most clearly expressed when governing body members were speaking of the ways in which they contributed individually to the work of the governing body. They gave the strong impression that what they found most satisfying was doing things that they felt were positive, and helpful because of that to the governing body and the institution.

In the case of the other roles set out above, perceptions as to their importance varied from person to person and, to some extent from institution to institution. For example, some institutions, such as UniCollege or NewMill university, took more overt steps as organisations to encourage, or facilitate, governing body members in carrying out a linking or ambassadorial role. With regard to the governing body's role in relation to strategy, this was clearly seen as significant, notwithstanding the variations in the degree to which the



governing body was perceived to take a leading, collaborative or secondary role.

Although, as was shown in chapter 5 (see sub-section 5.2.2 and Table 5.1, p 184), there was overall a strong degree of commonality across all institutions as to which governing body roles were seen as significant, some differences were also apparent. Thus, for instance, being both challenging and supportive were on the whole the roles most strongly recognised and most frequently discussed across all the institutions. However, in contrast, offering advice and guidance, and linking the institution to the outside world were generally less prominent in members' and attendees' discussion of governing body roles. These differences should perhaps not be seen as surprising given the combination of strong normative expectations that privilege the control and monitoring roles in governance, but the clear desire expressed by respondents in this study (and in other research) to be seen to be supportive as well as challenging. In this context providing advice and guidance and linking institutions to the outside world might well be expected to be seen in some sense as secondary roles, but nonetheless important and distinct.

Differences in the prominence of particular roles were also identifiable on an institution to institution basis in a small number of cases. For example, the advice and guidance role seemed to be perceived as less significant than most other roles, and less significant than in other institutions, at ExCAT and TownMod universities; similarly, the role of helping to link the institution to the

outside world was less prominent at Civic and Greenfield universities than other governing body roles, and less prominent than it was at other institutions (see Table 5.1, p 184). Hypotheses as to why such differences might exist include the possibility that Civic and Greenfield universities, as the two institutions that by most measures had the highest academic status amongst those in the study, may therefore have felt the most confident about their place in the world, and less inclined to give priority to the role of governing body members in helping them in their links to the outside world. However, as also noted in chapter 5 (see again sub-section 5.2.2), differences of the kind highlighted here need to be treated with caution, bearing in mind the variations in the numbers and types of governing body members and attendees interviewed at each institution.

#### *9.2.7 Individual members' perceptions of their own contributions*

In discussing how they felt able to contribute personally to the work of the governing body, most people tended to give examples of how their actions related to the principal roles of the governing body as a whole. External members therefore spoke of being supportive when deploying their expertise on an institution's behalf (see section 6.3). External members also saw themselves, and were seen by others, as making contributions through linking their institutions with individuals or groups outwith the institution, either to draw on additional expertise or in a lobbying capacity, and through more generic ambassadorial activities (see, for example, sub-sections 6.5.2 and 6.5.3). Evidence for external members of governing bodies or the non-executive members of boards acting in these ways can be found in other

studies (see sections 7.3.and 7.4). These roles have, however, markedly less prominence in other research than, say, the mainstream normative roles of challenging the executive and contributing to institutional strategy. This may be partly due to these roles being subsumed within more general conceptions of governing bodies having a supportive role, despite the clear distinction apparent in the perceptions expressed by governing body members and attendees in this study between being generally supportive, and providing more specific advice and guidance.

#### 9.2.8 *Attitudes to educational character and academic activities*

One of the strongest conclusions that can be drawn from this study is that most governing body members and attendees do not perceive it as being the role of governing bodies to engage in any detail with the educational character and the academic activities of their institutions. This view was widely and clearly expressed by both external and internal members. There was nonetheless recognition and acceptance of the fact that governing bodies held the ultimate overall responsibility in these areas (see section 6.7). This might on the face of it seem paradoxical, but having ultimate responsibility for an activity, but not having management or operational control over it, is of course intrinsic to governance. The issue in this case is whether it is appropriate or reasonable for a governing body to delegate its task of oversight so completely as appears to be the case with regard to educational character and academic activities.

Although some external members showed signs of feeling that other

aspects of governing bodies' roles needed to have a higher priority than oversight of educational character and academic activities, and that it was in these other areas that they could best contribute, the principal basis for governing bodies distancing themselves from engagement with these issues seems largely to be due to a combination of respect for the expertise of academic staff, and concern that external members lack the necessary knowledge to undertake a greater role (see sub-section 6.7.2). It is notable that this view was expressed not only by internal members and executive attendees but also by the external members themselves. Given these perceptions, it is also notable that while there were very few external members on the governing bodies studied here who had direct experience of higher education (other than as a student, usually many years previously), most respondents did not see the recruitment of more externals with relevant experience of higher education as desirable, or even likely to be beneficial (see sub-sections 6.4.6 and 6.47).

External members' respect for academic staff seemed most marked in the chartered institutions, which are those generally accepted as having the highest status, particularly in relation to their research activities. Respect for the professional expertise of academic staff and the specialised nature of their knowledge extended, however, across all the institutions, and was also seen by internal members and attendees as the basis for external members having a limited role in relation to academic activities, as demonstrated by the comment by the Vice-Chancellor at TownMod university that he would 'resign instantly' if the board was to 'interfere with the operation of senate' (see sub-

section 6.7.4).

The last comment points towards another reason for the attitudes of governing body members, which is the acceptance as a norm of the idea that issues associated with educational character and academic activities are properly the preserve of the academics, and therefore of senates and academic boards. It was shown in chapter 2 that the spread of ideas about academic freedom and autonomy, derived ultimately from the Oxbridge model of academic self-government, had become so established by the 1960s that they had a significant influence on the tenor of university governance arrangements, with the presumption being very firmly that oversight of academic issues should be left clearly in the hands of the academics themselves. The governance pendulum, in terms of the weight of overall power and authority, began to swing back towards governing bodies from the 1970s onwards, influenced by the tenets of new public management in the context of reductions in funding. However, the norm of self-governance by academics in relation to academic activities was by then so strongly established that it has continued to determine what is seen as the proper approach to such activities by governing bodies to the present day. In addition, the norm established in the traditional, chartered universities, also came to strongly influence the attitudes of governing bodies in the incorporated institutions that became universities in 1992. For the latter, many of which had aspired to university status for a number of years, it became possible to take on attributes associated with the long established universities, and in doing so to legitimise and emphasise their new status.

An explanation for the strength of the acceptance by governing bodies of the primacy of academic staff in relation to educational character and the oversight of academic activities can be found in institutional theory (see section 3.4). Through the assimilation of common values, norms and attitudes and the acceptance of 'myths' about their institutions (DiMaggio and Powell, 1991; Meyer and Rowan, 1977), similar approaches come to be adopted towards things such as educational character and the oversight of academic activities. The plausibility of this explanation for the attitude of governing bodies towards their responsibilities in these areas is enhanced by the evidence (see again sub-sections 6.4.6 and 6.4.7) that few governing body members saw the small number of external members on governing bodies with higher education experience as a problem. It is reinforced by the fact that increasing governing bodies' collective expertise in this regard was more often seen as likely to be problematic rather than beneficial. The issue was unrecognised, and potential problems were privileged over potential benefits, because there was an existing approach that was understood and accepted as the norm.

In so far as there was any variation in the views of governing body members towards educational character and the oversight of academic activities, some sign of differentiation was apparent between NewMill university and UniCollege, and the other five case study institutions. NewMill had been a university college until relatively recently and its governing body members gave a much stronger impression of interest in their university's academic affairs than did the governing body members of the other

universities involved in the study. This appeared to be in large part because some of the interviewees had been at NewMill as it went through the process of gaining its own degree-awarding powers and, eventually, university status, and this had prompted their closer engagement with academic issues. It is, I suggest, significant that NewMill was also the institution where governing body members saw themselves as taking the leading role in developing institutional strategy (see sub-section 9.2.2 above).

At UniCollege governing body members also saw the need to engage with academic matters more directly as they also pursued a policy trajectory intended to lead to university status. Their status as a university college, rather than a fully-fledged university, undoubtedly informed in addition the recruitment to the governing body of a high proportion of external members with education and higher education backgrounds, which seems likely in turn to have meant that the governing body as a whole was more inclined (and felt fitted) to pay direct attention to educational character and academic activities. The example of the attitudes of both NewMill and UniCollege governing body members towards educational character and oversight of academic activities reinforces the contention that institutional history and context can have a significant influence of perceptions of governing body roles.

#### 9.2.9 *The appearance of paradox*

In considering governing body members' attitudes to the differing governing body roles, some potential paradoxes can be recognised. For example, if a significant governing body role is to support the executive, is it

reasonable to expect governing bodies to be able at the same time to challenge the executive to a sufficient extent, or with sufficient rigour? Or in the case of the attitudes displayed towards educational character and academic activities, can governing bodies meaningfully take ultimate responsibility in these areas, whilst at the same time not engaging with them? And if some of the governing body roles specified by the CUC and HEFCE are hardly mentioned by governing body members, even if they are being carried out, are they less important than other governing body roles due to their hardly being mentioned?

None of these potential paradoxes appear, however, to cause any concern to the great majority of the governing body members and attendees interviewed. So while it is fair to say that some respondents expressed doubts about the extent or seriousness of the challenge governing bodies could pose in practice to institutions' executives (see sub-sections 6.2.4 and 6.2.5), most people saw no contradiction in being both supportive and challenging at the same time. Thus, while there may be a surface paradox, it is either not perceived as such by governing body members, or the existence of paradox is not perceived as a problem. Instead, governing body members appear by and large capable of operating with sufficient understanding of nuance and complexity as to allow them to be by turns both straightforwardly supportive and supportive through the very act of providing appropriate challenge when necessary. Indeed, it seems likely that in many instances challenge or criticism is more likely to be accepted, and acted upon, in a context that is generally perceived as constructive and supportive.



This finding is similar to that in studies of the private sector in the UK by Roberts *et al* (2005), to the effect that:

Non-executives can both support the executives in their leadership of the business and monitor and control executive conduct (Roberts *et al*, 2005, S6; see sub-section 3.6.1 above)

It can also be related to the conclusion reached by Stiles and Taylor (2001) that, provided boards ensure that a 'threshold level of monitoring' occurs, thereafter the approach taken can be co-operative and based on mutual trust (see sub-section 3.7.3). Cornforth's discussion of paradoxes in governance in the public sector (Cornforth, 2003a, 2003b; sub-section 3.8.1) adds further weight to the idea that approaches to governance that embody paradox can be negotiated and can ultimately be beneficial.

#### 9.2.10 *Overall conclusions with regard to governing body roles*

The evidence from this study demonstrates that governing body members do not in practice privilege the roles expected of their governing bodies by external agencies. Instead, they perceive a number of alternative roles to be important, including the three inter-related and positive roles of providing support, advice and guidance, and links to the outside world. Even where there is a direct overlap between normative expectations and perceived governing body roles, as in the case of involvement by the governing body in institutional strategy, governing body members' perceptions of their experience is couched in terms that differ from those used in official guidance, with most involvement in strategy being contributory, rather than directive. Notwithstanding differences of emphasis or scope in other research on governance, the conclusions set out here are reinforced by the findings of a

number of other studies, particularly with regard to the multi-faceted nature of perceptions of governance, and the capacity of governing body members to accommodate apparently contradictory roles such as providing both challenge and support (as demonstrated, for example, by Cornforth, 2003a, 2003b; Cornforth and Edwards, 1999; Roberts *et al*, 2005; Schofield, 2009; Stiles and Taylor, 2001; see chapters 3 and 6). All of this suggests that the lived experience of governing body roles, as perceived by governing body members, is both more nuanced, and more active, than that assumed by normative role specifications.

### **9.3 Perceptions of effectiveness**

#### **9.3.1 *What is effectiveness?***

The second principal aim of this study was to explore perceptions of effectiveness in governance. This was discussed in chapter 8, where it was shown that effectiveness was often seen as a difficult concept to address (see sub-section 8.2.1). This reaction was perhaps part of the explanation for the fact that the range of views as to what constituted effectiveness was very broad (see section 5.3, and particularly Tables 5.3 to 5.6, pp 194 to 197, and, for more detailed discussion, sub-sections 8.3.4 and 8.4.5), and that a number of people expressed caveats about some of the suggested indicators of effectiveness, or about the extent to which governing bodies could actually be effective in practice (see sub-sections 8.3.2, 8.3.3 and 8.4.1). Nonetheless, despite the caveats expressed, the association of effectiveness with a wide

range of factors is paralleled in other studies of governance in both the private and public sectors (e.g., Ashburner, 1997; Forbes and Milliken, 1999; Roberts *et al*, 2005; see sections 3.6 and 8.6). It is also matched in terms of diversity and complexity in the conclusions reached by Schofield (2009) in his study of higher education governance, as shown by the extent and variety of his enablers and outcomes of effective governance (see sub-sections 3.6.3 and 8.6.3).

However, in the study undertaken by Berezi (2008), his findings differed from mine, in that they suggested that governing body members' conceptions of effectiveness were much narrower than I have found to be the case. Berezi suggested that governing body members perceived effectiveness to be associated with the application of their knowledge, skills and expertise; with induction and development; with compliance with governance codes and legal frameworks; and with the achievement of the strategic objectives of the university (see sub-section 3.6.3). Of Berezi's four 'determinants of effectiveness', the first and fourth are paralleled in my findings, but the respondents in this study did not associate effectiveness with induction and development, or see compliance with governance codes, etc, as an important factor in being effective. Although Berezi's conclusions may accurately reflect the perceptions of the governing body members interviewed in his study, I find their narrowness unpersuasive. My own findings in this regard are also, I believe, much closer to those in a number of other studies, such as those by Stiles and Taylor (2001) or Roberts *et al* (2005) (see sub-

sections 3.6.1 and 8.6.1), and I feel confident that they accurately reflect the perceptions of the people interviewed in this study.

Whatever factors are involved in achieving or demonstrating effectiveness, there is a separate question as to whether governing bodies and boards are actually effective or not. The material reviewed in section 3.6 highlighted a number of instances in both the private and public sectors where boards and governing bodies were seen as ineffective, or at least only partially effective, including recent studies such as that by Storey *et al* (2010) of the NHS. However, other studies, particularly perhaps that of Stiles and Taylor (2001), suggest that boards and governing bodies can be effective. In relation to the higher education sector, Berezi (2008) concluded that most members of the governing bodies he studied regarded those governing bodies as effective. His conclusion was in line with the findings from the Office of Public Management (OPM) questionnaire survey concerning effectiveness in higher education governance reported by Schofield (2009; see sub-section 3.6.3).

It was undoubtedly the case that the great majority of governing body members interviewed in this study felt that their governing bodies were effective. This may simply have reflected people's reluctance to describe their own governing bodies as ineffective, and the views expressed by interviewees in Berezi's study and the respondents to the OPM survey may have been equally self-serving. However, a variety of the respondents in this study appeared to be capable of expressing apparently frank and negative views

about their governing bodies from time to time, so perhaps one does not need to dismiss entirely the perception most people had that their governing bodies were operating effectively.

### 9.3.2 *Measuring effectiveness*

The issue of what constitutes effectiveness in higher education governance means that the question of measuring effectiveness arises. It was clear that in many instances governing body members were content to make subjective judgements about effectiveness, based on their own experience as a member of the governing body. It was also the case that most peoples' perceptions of how to measure effectiveness came back to using institutional success as a proxy for governance effectiveness.

The question of formal effectiveness reviews of governing bodies also arose. In line with CUC and HEFCE guidance these are now an accepted part of the higher education governance landscape. They might therefore be expected to be a prime source of evidence for effectiveness cited by governing body members. In practice this was not the case, although such reviews were regularly undertaken at all the institutions involved in the study (and were in train at two of them when interviews were carried out). Where reference was made to effectiveness reviews, their primary focus was process-related. Governing body members seemed to regard them as helpful, but did not give the impression that they were actually critical in determining whether governing bodies were being effective or not. In his comments on governing body effectiveness, Berezi (2008; see sub-section

3.6.3) suggested that carrying out such reviews was seen by governing body members as a sign of the seriousness with which the issue of effectiveness was addressed. However, he also seemed personally to perceive the processes used to be potentially biased and lacking in rigour, because external assessors were not routinely used and there was no formal appraisal of individual governing body members. These concerns find no echo in my own study.

### 9.3.3 *Averting crises*

Just before the fieldwork for this study was undertaken the governance problems faced by London Metropolitan University had occurred, and a number of other institutions were also reported as having had governance-related difficulties (see sub-sections 2.11.4 and 8.5.4). This prompted me to ask governing body members about their perception of governing bodies' capacity to spot crises, as an ultimate test of effectiveness. It transpired that the London Met issue was on the minds of a number of the people interviewed. For some external members the main problem was around information flow, and taking responsibility for understanding what information was needed, and seeking it if it was not being supplied. For others, the London Met case highlighted the desirability of having external members with higher education management backgrounds, although this was not a widespread response. There was also recognition that governing bodies were ultimately reliant on Vice-Chancellors and other executives to provide appropriate and sufficiently complete information. Overall, most respondents expressed an interesting mixture of confidence that 'their' governing body was

well placed to spot crises, and a somewhat fatalistic acceptance that there was always going to be the danger of something totally unanticipated arising.

#### 9.3.4 *The importance of structures, processes and procedures*

Amongst the factors identified as contributing to effectiveness was having the right structure and using the right processes. These points were discussed in section 8.4, where it was shown that governing body members had a strong perception of the importance of practical matters to effectiveness in governance. At the same time, it was accepted that some practical issues were always likely to be problematic, such as achieving the right balance between having too much or too little information. Ensuring good practice in relation to the practical aspects of governance was seen as helpful in achieving effectiveness, but not by itself sufficient. These perceptions found a strong parallel in a number of other studies of governance, both in the private sector (e.g., Higgs, 2003; Nicholson and Kiel, 2004) and the public sector (e.g., Bennett, 2001; Cornforth, 2003a; Storey *et al*, 2010).

#### 9.3.5 *Conclusions with regard to effectiveness*

Overall, it is possible to conclude that effectiveness in governance is a concept that is challenging in principle, but one that governing body members nonetheless feel able to engage with. It is multi-faceted and complex, and encompasses the idea of carrying out recognised governing body roles well, and a range of other factors, many of which are associated with the skills and behaviours of governing body members; the role of the chair is seen as particularly important. Governing body members also regard procedural and

process issues as having significant impact. Finally, although some people expressed concerns about how much influence governing bodies could have, and implied that there might therefore ultimately be limits to their effectiveness, the majority of governing body members clearly felt their governing bodies were effective. These findings are broadly in line with those of other recent studies in the private and public sectors, although in the case of the research most closely aligned with this study – that by Berezi (2008) – there are some differences of emphasis, particularly in relation to his conclusions that induction and development, and compliance with governance codes and legal frameworks were important determinants of effectiveness. In this study, these factors did not appear to be perceived as important to governing body effectiveness.

## **9.4 Corporate governance theory**

### **9.4.1 *Perspectives on corporate governance theory***

The relevance of corporate governance theories to higher education was approached in two ways in this research. First, for each of the governing body roles identified by the interviewees in the study, the ways in which those roles potentially related to roles predicted by or associated with specific governance theories were considered (see section 7.8 and sub-section 7.9.2). Second, most of the people interviewed were asked explicitly about four prominent governance theories (agency, stewardship and stakeholder



theories and managerial hegemony; see section 5.7) presented to them in a matrix at the end of their interviews.

In considering governing bodies' roles, challenging the executive can be associated with the expectations of agency theory (see sub-section 7.8.2). However, in the case of supporting the executive (see again sub-section 7.8.2), this can be equated with aspects of stewardship theory or, if the support in question is uncritical and reflective of an attitude of subsidiarity, with the tenets of managerial hegemony. In this study, the ways in which supporting the executive was discussed strongly suggested that governing body members did not see the role as having any negative connotations, so one is in the realm of stewardship theory. Stewardship theory, and potentially managerial hegemony (but again not in practice in this study), was also associated with the advice and guidance role (see sub-section 7.8.3). Theoretical positions that could be identified as offering possible explanations for other governing body roles include resource dependency theory (in relation to providing links between institutions and the outside world; see sub-section 7.8.4), and stewardship theory again (in the governing body's role in relation to institutional strategy; sub-section 7.8.5).

Governing body members' consideration of the matrix of theoretical positions produced clear and strong responses, with the majority of respondents at most institutions clearly seeing their governing bodies operating in accordance with stewardship and stakeholder perspectives. However, it was interesting to note, albeit in the context of a smaller sample of

interviewees than at the other institutions, the strong association by members of TownMod university's governing body with a managerial hegemony perspective. It was even more interesting that this did not seem to be perceived as a problem (see sub-section 5.7.2). Finally, the potential problems of seeking views through something such as the matrix were illustrated by the responses of a small number of interviewees who found the approach too simplistic, or too passive, or who felt it omitted perspectives that they thought were more important than those presented.

Although only four theoretical perspectives on governance were explicitly drawn to the attention of the interviewees, the views subsequently expressed by the governing body members and attendees are important, as I am not aware of any other study of higher education governance that has obtained direct comments from governing body members or attendees on specific governance theories. This certainly applies to the studies by Bennett (2001), Berezi (2008), Bott (2007), Llewellyn (2007) and Schofield (2009) that I have cited on a number of occasions.

#### 9.4.2 *Conclusions as to the relevance of governance theory*

Consideration of governance theory in other studies of the UK higher education sector suggests that the theoretical positions of most relevance are those associated with stewardship, stakeholder and managerial hegemony theory (see sub-section 3.9.4 and, for example, Berezi, 2008; Llewellyn, 2007; Shattock, 2006). The findings in this study emphasise stewardship and stakeholder theory in particular, albeit with recognition of the existence of

managerial hegemony, particularly in one institution. Aspects of agency theory, resource dependency theory and legalistic perspectives can also be seen in the mix, but not class hegemony theory. Findings from a number of other studies in both the private and public sectors (see, for example, sub-sections 3.7.3, 3.8.1) support the conclusion reached here that boards and governing bodies rarely operate only in ways consistent with a single theoretical position and that a multi-theoretic approach has far more utility in terms of explanatory value.

Turning to two significant points of detail, class hegemony theory is referred to in particular by Berezi (2008, 58-59; see sub-section 3.9.4), and associated by him with the idea that the external members of university governing bodies are self-perpetuating elites recruited from particular groups in business, industry and the professions. In this study I have focussed less attention on the processes used to recruit external governing body members than Berezi, and I regard his conclusions in relation to the potential explanatory value of class hegemony theory in connection with these processes as plausible. However, while it would probably be fair to characterise most of the external members interviewed in this study as being drawn from elite groups similar to those characterised by Berezi, there was evidence of the existence in most of the institutions studied here (sub-section 6.4.5) of formal and standard processes for the identification of new governing body members, including the use of role descriptions and skills matrices. This suggests that while there may be some tendency for the recruitment of governing body members to operate partly in accordance with the tenets of

class hegemony theory, in the institutions I have studied it should be offset to at least some degree by the adoption of more formal and structured recruitment processes.

Another aspect of Berezi's findings (see again sub-section 3.9.4) was his conclusion that the expectations of stakeholder theory were not borne out in his research, and that there was instead an 'accountability deficit', due to the 'limited representation of stakeholder groups' (Berezi, 2008, 296). Berezi associated this specifically with a lack of representation by academics on governing bodies. This conclusion is intrinsically surprising, because academics are one of the two groups of stakeholders (the other being students) that always have a presence on governing bodies. It is also a conclusion that finds no echo in the results of this study, where most governing body members saw paying attention to stakeholders as an important facet of their governing bodies' responsibilities.

#### 9.4.3 *Shared governance or joint governance*

It is also appropriate here to re-visit the concept of 'shared governance' (see sub-section 3.9.3). This is a collective approach to governance involving either governing bodies and academics, or in some conceptions governing bodies, management and academics. The most prominent proponent of shared governance in the UK, Shattock (2002, 2005) sees it as distinct from both the recent 'corporate-dominated' approach to governance and previous forms of 'academic-dominated' governance. The findings of this study do not support the notion that governing bodies presently operate on the basis of

shared governance in the strict sense intended by Shattock. However, the reluctance of governing bodies to involve themselves in matters concerning educational character and academic activities, and the strongly positive perspective of external governing body members towards academic staff, suggests that governing bodies are in practice sharing at least some of their responsibilities with academics. The result is not shared governance, *per se*, but might perhaps be characterised as joint governance, where overall legal and statutory, strategic, financial and operational governance is reserved largely for the governing body and senior management, with some input from academics (and sometimes other staff), whilst academic governance is reserved for academics and senior management, with some limited input from the governing body.

## **9.5 Perceptions across different institutions and between different types of governing body member**

### **9.5.1 *More similarities than differences***

As noted in chapter 5 (sub-sections 5.2.2 and 5.2.3), and in some instances above, there were only limited differences in the views of governing body roles when considered on an institution by institution basis (see Table 5.1, p 184) or when examined in relation to categories of governing body members or attendees (see Table 5.2, p 188). The extent of the commonality of perceptions overall led to the decision discussed in chapter 5 (see section 5.4) to focus in the major part of the analysis and discussion in this thesis on

what Stake (2006) called the quintain, or the totality of the case studies taken together. Despite the inevitable variability in the transcribed interview data when considered at the level of individual quotations, as set out in chapter 6, I remain confident that undertaking a thematic analysis and then interpreting the majority of the data at the level of the quintain was the most appropriate way forward. This is particularly so when the variation in the numbers and categories of interviewee on an institution basis, and the ultimately subjective and constructed nature of data, are also taken into account (see sub-section 5.4.1).

#### 9.5.2 *Perceptions across institutions*

With regard to perceptions of governance roles across institutions, as shown in Table 5.1 (p 184) there were only limited variations in those perceptions from institution to institution. Challenge and support, and the provision of advice and guidance were seen as almost equally important and prominent in all the case study institutions, while in the case of acting as link to the outside world, this role was again recognised in all institutions, although less strongly at ExCAT and TownMod universities than elsewhere. It was also apparent that thought was routinely given, particularly by chairs and Vice-Chancellors, as to what types of external links would be most helpful, so that governing body members with appropriate backgrounds and contacts could be recruited. Variations between institutions, in terms of the extent of governing body members' engagement with institutional strategy, or their attitudes towards educational character, etc, have already been noted above (see sub-sections 9.2.2 and 9.2.8).

Turning to perceptions of the factors contributing to governing body effectiveness, similarities of view were again commoner than differences, as illustrated in Tables 5.3 and 5.4 (p 194). It was, however, possible to identify some factors as being regarded generally as more important than others – such as the capability, and therefore the role, of the chair, the capability of governing body members generally, and the importance of the provision of appropriate information. Caution is nonetheless needed (see sub-section 5.3.2) because of the sheer variety of views expressed and the nature of the groups expressing them.

Three principal conclusions can be drawn. Firstly, although some differences can be detected between institutions in perceptions of governing body roles, those differences are not very marked - rather, they reflect differing degrees of emphasis along a spectrum of widely-shared views. Secondly, no strong differences are apparent between the chartered institutions taken as a group on the one hand, and the incorporated institutions on the other hand. And, thirdly, at the institutional level, differences in the perceptions of governing body members towards their roles are associated to some extent with the state of development of the institution, so that the institution that gained university status most recently, and the institution currently working towards that status, were the ones where governing body members' perceptions differed most from the norm.

It might be hypothesised that amongst the underlying reasons for these conclusions are factors associated with the creation of a unitary higher

education system in the 1990s. This led most of the former polytechnics to endeavour in various ways to become more like the pre-existing chartered universities. When this attitude is combined with the development from the mid 1990s onwards of common approaches to governance across the sector, based largely on the import of models from an increasingly standardising private sector, an outcome that by the late 2000s involved a significant degree of commonality in perceptions of governance across institutions is not perhaps entirely surprising. As discussed above in relation to attitudes towards educational character (sub-section 9.2.8), there seems likely to be significant explanatory value in the concepts associated with institutional theory. At the same time, in the case of institutions such as NewMill and UniCollege, which might be seen as still working their way up the higher education hierarchy, their governing bodies might feel imperatives to pay closer attention to, and be more interventionist in relation to, aspects of their institutions' character than the governing bodies of other, more established and higher status universities.

### 9.5.3 *The perceptions of different types of governing body members*

In most respects, different categories of governing body member and attendee (see sub-section 4.3.4 and Table 4.3, p 152) had similar perceptions in relation to both the nature of governing body roles and effectiveness in governance, as illustrated in Tables 5.2, 5.5 and 5.6 (pp 188, 196 and 197). There were, however, some differences of emphasis in the ways different types of governing body member perceived the capacity of other types of member to contribute to the work of the governing body.



For example, in the case of external members, they tended to perceive the contribution of student members in narrower terms than their own contributions. Student members were seen as participating actively only when topics arose that clearly and directly related to students as a whole. While students were recognised as being full members of their governing bodies (and they were rarely if ever excluded from meetings, even when confidential or sensitive matters were discussed), there was a strong tendency to treat them as though they were representatives, and to look to them to express views as to what students at large might think about subjects under discussion. In this context, chairs and other externals spoke about drawing out students' views and the importance they attached to hearing those views. The students themselves also highlighted the fact that they appreciated both that their views were sought, and that attention seemed to be paid to what they had to say (see, for example, sub-section 6.4.3). The capacity of students to get to grips with the issues addressed by governing bodies was mentioned by a small number of external members and executives, and students' capabilities were more often praised than not. Students were also generally very positive about the experience of being on governing bodies, although some of them commented on the difficulty of developing a complete understanding of their roles and contributing as fully as they would wish when they were normally only members for a year.

In the case of non-executive staff members, there was some difference discernible in both their attitudes, and attitudes towards them, between chartered and incorporated institutions. This was almost certainly

due partly to the fact that there were significantly fewer non-executive staff members on the governing bodies of the incorporated institutions, because of the parameters specified in their instruments and articles. It also seems likely that the more managerial and less collegial traditions of most incorporated institutions affected the attitudes of some of the people involved. Nonetheless, there was still recognition by external members and executives across all institutions of the value of the contributions of non-executive staff (see sub-section 6.4.2). To some extent, as with student members, there was a sense of the staff being treated *de facto* as representatives when their views were sought by external members. There was also, however, a rather more explicit recognition that non-executive staff did not formally have any representative role.

In a further variation, it was apparent that external members, including chairs, emphasised governing bodies' roles in providing support to the executive somewhat more strongly than did the internal members (including Vice-Chancellors) and attendees. In the latter group, it was striking that governing body secretaries placed less emphasis than anyone else on the importance of governing bodies' roles generally, particularly those associated with challenge, support, advice and guidance from externals and linking to the outside world. Given that one of the secretaries went so far as to question whether a governing body could change what the university did (see sub-section 6.2.4), perhaps university secretaries were generally more caught up in the complexity and minutiae of board processes, and less able to separate outcomes from processes. Alternatively, perhaps other people were more

inclined, and had a greater personal need, to feel that their actions as governing body members and attendees could make a difference. In any event, as noted elsewhere, caution is required in discussing potential explanations for differing perceptions, partly because of the small numbers of respondents involved (only three in the case of governing body secretaries) and because of the subjective and constructed nature of peoples' views (for example, perhaps secretaries felt the need to appear to be objective, or dispassionate).

Other points can be made about differences between different types of governing body member. First, it was noticeable that some non-executive staff and student members spoke of 'them' when referring to external members (see, for example, sub-section 6.2.2). Although only a minority of people in these categories used this terminology, it was revealing of an attitude suggesting that some internal members and students saw themselves as not really being members in the same way as externals. Second, although all types of governing body member perceived the roles undertaken by their governing bodies as valuable and important, and those governing bodies as generally effective, there was somewhat more scepticism amongst non-executive members than other types of member about the difference governing bodies could make to the success or failure of their institutions (see, for example, sub-section 6.2.4).

In relation to the perceptions held by different types of governing body members, it is therefore possible to conclude that external members are seen

as first amongst equals. In some institutions this attitude may be reinforced by the fact that non-executive internal members are not often eligible to sit on most governing body sub-committees. It is also possible to contend, but not perhaps to conclude quite so firmly, that internal, non-executive members are, as a group, more likely to be sceptical about the extent to which governing bodies can make a difference to the success of their institutions. Given that many of the expectations about higher education governance derive from the private sector, where the only type of non-executive board members are the external members, it is perhaps not surprising either that non-executive internal and student members are seen, and see themselves, as in effect secondary to the external members, or that their views about the utility of governance are somewhat less positive than those of external members and internal executives.

## **9.6 Potential limitations of the study**

### **9.6.1 *Limitations as to scope***

In this study I have considered perceptions of corporate governance in the English higher education sector, thereby excluding from the scope of the study anything other than passing reference for comparative purposes to the governance of higher education elsewhere in the UK. The study is also limited by its focus on governance at the institutional level and its concentration on the governing bodies of institutions (by way of parallel, for recent comments on the narrow focus of work on governance in the non-profit

and voluntary sectors see Cornforth, 2011). This focus excludes or diminishes consideration both of external governance mechanisms and issues such as those associated with the role of bodies such as CUC or HEFCE, or directly with government (see, for example, Shattock, 2008; Tapper, 2007) and other aspects of internal governance, such as the roles of governing body sub-committees, or of the academic governance structures, headed by senates or academic boards.

#### 9.6.2 *Limitations in regard to research methodology and design*

There are also potential limitations associated with the choice of research methodology and design. In this regard, it is legitimate to consider whether the methodology and design selected for this study were appropriate to its aims and to the research questions that have been pursued, and to my underlying ontological and epistemological assumptions (see section 4.2). As the starting point, for the reasons set out in chapter 4 (section 4.2), I believe that taking a qualitative approach to my research was appropriate, as was initially planning to use a case study design throughout. In this context, collecting data primarily by means of semi-structured interviews was consistent with my intention to explore individuals' perceptions of the roles and effectiveness of the governing bodies of English higher education institutions and a rich data set was obtained.

A particular issue arose, however, in relation to my intention to undertake a case study approach overall. I believe I succeeded in taking such an approach in relation to the selection of institutions to include in the study

and with regard to the collection of the principal data through semi-structured interviews. Nonetheless, as discussed in chapter 4 (see, in particular, sub-sections 4.2.3 and 4.5.4), during the initial analysis on a case by case basis it became apparent that there were considerable similarities in the principal themes arising across institutions (see chapter 5 and the discussions in section 9.5 above). This led me to adopt what I felt was an appropriately amended strategy involving concentration on thematic analysis at the level of the quintain – that is, the case studies taken together and considered as a whole. The intention in considering and analysing my interview data on this basis was to develop explanations for the views of governing body members about the activities they engage in, and the factors that influence their capacity to undertake their roles.

Despite what I believe to be the ultimate suitability of the methodology and methods I have used, there remain potential limitations associated with the use of data based on individuals' perceptions, and with the size and nature of the data sample. To a significant extent these are intrinsic to the methods used. So, for example, as illustrated above (sub-section 9.3.1) when discussing the fact that most interviewees clearly regarded their governing bodies as effective, since this view is based on individual perceptions it is feasible that people may have misrepresented their views, or have not been open to the possibility of admitting that the activity they are engaged in is ineffective. This issue could perhaps be addressed by further research using a different approach to attempt to measure in some notionally objective sense the effectiveness of each of the governing bodies. What is important here is

to recognise the subjective nature of perceptions and to read and interpret the conclusions of the study in that context.

With regard to the size of the sample, issues associated with this were discussed in chapter 4 (see section 4.2). The end result is necessarily a compromise associated with the resources available to undertake the study. Given the nature of the methodology, a bigger sample would not have made the conclusions drawn any more generalisable (see sub-section 4.2.3), although data from additional people or additional institutions might have revealed new insights.

There may additionally be limitations as to the validity and reliability of the conclusions reached. As again discussed in chapter 4 (section 4.7), the validity and reliability of the findings needs to be judged in relation to a variety of factors. As noted there, internal, external and measurement validity are concepts recognised in quantitative research that are sometimes carried over into qualitative research but often questioned in this context. I have preferred the approach of authors such as Hammersley (1990, 1992), and his focus on judging validity and relevance in terms of credibility and plausibility, and coherence and consistency. I believe that the range of concepts I have used, and the ways I have described and defined governance roles and processes, have been consistent, and that I have presented enough primary evidence, in the form of quotations from participants, sufficiently coherently, to enable the credibility and plausibility of my conclusions to be judged. I have also endeavoured to give sufficiently clear details of my methods and of both the

cases and the individual data sources within cases, to enable the reliability of my research to be determined.

### 9.6.3 *Limitations due to practical problems*

At a practical level there are potential limitations associated with the application of the methods used in the study. For example, as noted in sub-section 4.3.5, the arrangements to interview the participants in the study from UniCollege were such that three of four interviews were shorter than was normally the case and it was not possible to address all the topics on the interview protocol. The views of the people concerned were therefore less fully reflected in the dataset taken as a whole than those of people from other institutions. Another practical issue concerns the type of person interviewed at each institution (see sub-section 4.3.4, Table 4.1, p 141). In the case of NewMill university, all the interviewees were external members of the governing body. This means that whereas at all the other institutions the interviewees had a variety of relationships to the governing body – external or internal member, attendee, executive – this was not the case at NewMill. Consequently, the overall impression of the perceptions held about governance at NewMill may not have reflected as full a range of potential perceptions as was obtained from the other institutions.

Other practical problems could be cited. However, the underlying issue is whether or not practical problems associated with carrying out the research have been recognised sufficiently, and allowed for where necessary. I believe this to be the case, but the judgement in this respect, as with regard to the



other potential sources of limitations set out above, needs to be made by the reader.

## **9.7 Possibilities for further research**

### **9.7.1 *Areas of potential interest***

It is apparent from reviewing the literature that the internal governance of higher education institutions has been even less researched than governance at the level of governing bodies. This applies both to the ways in which governing body sub-committees contribute to governance overall, and to the roles of senates and academic boards, and their sub-structures. In the former case, for example, one could pursue the contention of some respondents in this study that the 'real work' of governance was done in the sub-committees; in the latter case, given the willingness of governing bodies to leave oversight of educational character and academic activities to academics, and indications that there were limited interactions between governing bodies and senates/academic boards, there is scope for research into academic governance and its influences, if any, on overall governance.

Further research could also be pursued into the extent of the influence of Vice-Chancellors and their executive management teams. How, for example, do executives and external members interact in governing body sub-committees, and where does the balance of power lie between external members and executives? And in the case of academic governance, do

senates and academic boards, or their sub-structures, still have meaningful roles in relation to anything other than academic quality assurance, or does management power predominate? Or in other words, as governing bodies cede oversight of educational character and academic activities to academics, are they in practice simply ceding that oversight just to the executive and other senior managers?

Other areas where additional research could be pursued include:

- studying the nature of diversity in governing body membership. The importance of diversity was asserted by a number of interviewees, but it was in most cases expressed in terms of variety in individuals' skills and experience; only rarely was diversity seen as encompassing factors such as gender, age or ethnicity. It would be interesting to explore whether the limited nature both of conceptions of diversity and of the diversity in practice observed, effectively in passing, in this study, were reflected across the sector as a whole, and what implications might flow from that outcome;
- more explicit examination of governing body members' perspectives with regard to governance theory. This would enable the range of governance theories presented to governing body members to be extended, and the contexts in which different theories might be applicable to be explored more fully; and,
- more detailed study, perhaps making greater use of observation of governing body meetings, of the ways in which governing body processes and procedures, and the nature of personal interactions, have an impact on governing body effectiveness.

More examples could be added to this list, but I suggest that it is clear that there is significant potential for further research into aspects of higher

education governance for which the research presented here provides a valuable starting point.

## **9.8 The significance of this research**

### **9.8.1 *The potential importance of the focus of this study***

The significance of the research reported in this thesis has several facets, the first of which lies in the fact that it is a still rare instance of empirical research into higher education governance. Very few previous studies have gathered empirical data about higher education governance in the UK. Indeed, the first extensive study was that of Bargh *et al* (1996). Since then, only one study has been undertaken with similar aims to this study, that of Berezi (2008). My findings support those of Berezi in some respects, but challenge them in others (see, for example, sub-sections 7.4.2 and 8.6.3) – for example, I find his conclusions in relation to what promotes effectiveness surprisingly narrow, particularly with regard to their omission of any reference to the influence on effectiveness of governing body processes and procedures.

### **9.8.2 *Governing body members' role perceptions***

Further facets of the significance of my research lie in the conclusions reached. It was shown above (sub-section 9.2.1 and Table 9.1, p 363) that governing body members perceive their governing bodies to have a number of distinct roles, but that there is a gap between those perceptions and the roles

specified by the CUC/HEFCE. It was also clear that while normative roles in relation to monitoring and control, and responsibility for institutional strategy, were recognised, they were conceived in practice in somewhat different terms from those used by the CUC/HEFCE. Finally, while governing body members recognised the need for their governing bodies to undertake roles associated with meeting legal, statutory and regulatory requirements, and ensuring appropriate controls exist to assess and manage risk, which were prominent as normative role expectations, they did not see these roles as requiring their proactive attention to the same extent as their roles in challenge, support, etc. These conclusions regarding the mismatch between perceived and expected governing body roles has potential implications for the approach taken towards both governance policy and practice across the higher education sector. They also suggest that official guidelines would benefit from review and revision to better reflect the perceptions of their roles held by governing body members.

A further significant conclusion is in relation to the attitude of governing body members towards educational character and the oversight of academic activities. Despite the recognition of the formal responsibility of governing bodies for these central and fundamental aspects of their institutions, in most institutions it was felt that academics should take responsibility for these areas on governing bodies' behalf. This is a striking finding that raises fundamental questions about the ways in which governing bodies discharge their responsibilities, and again suggests that there is a gap between the

expectations of the sector-wide bodies, particularly the CUC and HEFCE, and institutional practice.

#### 9.8.3 *The difficulty of grappling with effectiveness*

In relation to perceptions of effectiveness, part of the significance of my conclusions lies in their confirmation that the issue of what constitutes effectiveness is perceived by governing body members to be very complex. This finding is consistent with the outcomes of Schofield's (2009) report into the variety and range of factors that contribute to achieving effectiveness in higher education governance. It is also significant that the findings of this study highlight the importance to perceptions of effectiveness of the processes and procedures employed in the practice of governance. As noted above (section 9.3), similar conclusions have been reached in studies of governance in other sectors. However, while addressing issues such as these is necessary in seeking to ensure overall effectiveness, succeeding in doing so is not by itself sufficient.

#### 9.8.4 *Common perceptions*

An additional striking outcome of the research has been the extent to which common perceptions about governing body roles and effectiveness in higher education governance are held across all the case study institutions and by different types of governing body member and attendee, as illustrated by the findings set out in Tables 5.1 to 5.6 (pp 184 to 197). This suggests that despite the sometimes significant differences in institutional context, or the nature and background of governing body members, influences of the kind

associated with institutional theory appear to be at work, so that governance activity tends to conform to a set of norms. However, this influence does not extend so far as to lead governing body members simply to operate solely in accordance with the normative expectations set down in codes of practice and other formal guidance. Instead, informal influences are perhaps at work, influenced by formal expectations, but rooted in the practice rather than the theory of governance.

#### 9.8.5 *The relevance of governance theory*

Turning to the question of governance theory, my research has demonstrated that none of the governance theories considered in the study can by themselves explain or predict the behaviour of governing bodies and their members. However, the strong identification by many governing body members of the relevance of the stewardship and stakeholder perspectives has reinforced the association of such theories with higher education governance in previous studies (see sub-sections 3.3.5 and 3.3.6). Taken together with the recognition of features associated with other theoretical positions, such as agency theory, resource dependency theory and managerial hegemony, the findings clearly support a multi-theoretic perspective towards governance theory, as proposed in sub-section 7.9.2.

#### 9.8.6 *The overall significance of the research*

Taken as a whole, this thesis presents original data relevant to an under-researched area of study. It provides new evidence of a mismatch between the perceptions held by governing body members as to governing

body roles and the roles governing bodies are expected to play by sector-wide bodies such as CUC and HEFCE. There is also clear evidence that most governing bodies are ceding their responsibilities in relation to educational character and the oversight of academic activities to academic staff to a greater extent than might be expected in light of their ultimate accountability in these areas. Effectiveness in governance is shown to be a difficult and complex subject, where the processes and practices involved in carrying out governance roles are seen to be particularly important. Finally, although no single governance theory offers explanations for all aspects of the governance roles that are perceived to exist, there is explanatory value in a multi-theoretic approach, and a strong identification by most governing body members with the tenets of stewardship and stakeholder theory.

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## **Appendix 1 – Summary details of the case study institutions**

### **1. *CityMod university***

'CityMod' is a large city-based incorporated university. It has several campuses, and developed from predecessors founded from the mid-nineteenth onwards. These merged to form a polytechnic which became a university in 1992. CityMod university is a predominantly teaching-focussed, but even so its HEFCE grant is only about 40% of its total income. CityMod has quite a high proportion of part-time students, at around 30% of the total student body.

CityMod's governance arrangements are typical of an incorporated university. It had the smallest governing body amongst the case study institutions. The majority of the external members had private sector backgrounds, as did the chair. Two external members with public sector backgrounds had extensive experience of working in the education sector. The Vice-Chancellor is the only member of the university's executive team who is also a member of Board. There are academic and non-academic non-executive staff members on the governing body, plus the student union president.

### **2. *Civic university***

'Civic' university is a large chartered institution with nineteenth century origins. It had the highest income amongst the case study institutions, and the highest proportion of research income; it also entered staff in the highest number of UoAs (40). Civic university is city-based. It has over 20000 students, with over 80% studying full-time. Roughly 30% of the students are postgraduates.

Civic university's governance arrangements are typical of those of a chartered institution. The backgrounds of the external members of its governing body were almost equally split between the public and private sectors; the chair's experience lay primarily in the public sector. Two of the external members had extensive experience of working elsewhere in the higher education sector. The Vice-Chancellor is the only executive member of the governing

body, although all the senior executives attend all governing body meetings. This gave Civic university one of the highest numbers of total people present at its governing body meetings. The internal non-executive staff members were drawn from only the academic staff and there were two student members (the student union president plus one).

### 3. *ExCAT university*

'ExCAT' university is by most measures small to medium-sized. Its origins lie in a technical school which became a College of Advanced Technology in the 1950s, and then a university in the 1960s. ExCAT has between 7500 and 10000 students, of whom about 20% are from outside the UK.

ExCAT's governance arrangements are in most respects those of a typical chartered university. The governing body was, however, the largest amongst the case study institutions. It also had the equal lowest proportion of external members. There were more external members with private sector experience than public sector experience; the chair's experience lay primarily in the private sector. Two of the external members had extensive experience of working in the education sector. ExCAT university was atypical in that other members of its executive group were members of the governing body in addition to the Vice-Chancellor. There were few non-executive internal members, drawn only from academic staff. There were two student members (the student union president plus one).

### 4. *Greenfield University*

'Greenfield' is a medium-sized university founded as part of the 1960s expansion on a green field site on the edge of a major town. Greenfield university had one of the lowest proportions of income from the HEFCE amongst the case study institutions, at around 30%. It has around 10000 students, of whom over 90% study full-time, with 75% being undergraduates.

Greenfield's governance provisions are typical of those of a chartered university. It has an unusually low proportion of external members - the lowest amongst the case study institutions. The backgrounds of the external

members varied, with an almost equal mixture of public sector and private sector experience; the chair's experience lay primarily in the private sector. Two of the external members had extensive experience of the higher education sector. The Vice-Chancellor and one other senior executive were members of the governing body, although all members of the executive team attend all governing body meetings. There is a relatively high proportion of internal, non-executive staff members on the governing body, mostly drawn from amongst the academic staff, although there is also one member of non-academic staff, and one student (the student union president). Amongst the case study institutions Greenfield thereby has the highest number, and highest proportion, of internal, but non-executive, members of its governing body.

#### *5. NewMill university*

A small to medium-sized institution that has become a university since the turn of the millennium in 2000, 'NewMill' university has its origins in a technical college and an education college, which merged to form a higher education college, and successively a university college and then a university. NewMill has around 10000 students, of whom about 90% are undergraduates.

NewMill's governance arrangements are similar to those of other incorporated institutions, although its governing body has an unusually high proportion of external members - the highest amongst the case study institutions. The external members were equally split in terms of whether their experience lay in the public or the private sectors; the chair had experience in both sectors. Three of the external members had extensive experience of working in the education sector. The Vice-Chancellor is the only member of the university's executive team who is also a member of governing body. The internal members of the governing body included academic and non-academic staff and one student (the student union president).

#### *6. TownMod university*

'TownMod' is large post-1992 university, with two main campuses. It is town-based, rather than city-based, hence its designation. Its origins lie in

nineteenth and twentieth century colleges which merged and then became a polytechnic, before gaining university status in 1992. TownMod university was the largest of the case study institutions in terms of student numbers. Over a third of TownMod's students study part-time.

TownMod university's governance arrangements are typical of an incorporated institution. The governing body members have a mix of private and public sector backgrounds, although there are slightly more externals with private sector experience than public sector experience. The chair's experience lay primarily in the public sector. Three of the external members had experience of working elsewhere in the education sector. The Vice-Chancellor is the only member of the university's executive team who is also a member of the governing body. The internal members of the governing body include both academic and non-academic staff, and one student (the student union president).

## *7. UniCollege*

'UniCollege' is a relatively small, faith-based, university college, whose origins lie in teacher-training. UniCollege expanded its range of subject provision and became a university college in the 2000s. It is the smallest of the case study institutions in terms of income, and staff and student numbers. UniCollege has less than 5000 students, of whom about two-thirds study full-time. About 90% of UniCollege's students are undergraduates.

UniCollege's governance arrangements differ in their details from those of the other case study institutions, because of its faith-based background. However, its Instrument and Articles of Government are similar to those of mainstream incorporated institutions. UniCollege's governing body has a high proportion of external members, many of whom are drawn from the relevant faith-based background. With regard to their professional experience, an unusually high proportion of the external members have public sector backgrounds, with only three of them having private sector experience. The chair's experience lay primarily in the public sector. Four of the external members had extensive experience of working in the higher education sector,

and three others, including the chair, had considerable experience of other aspects of education and training. The Principal is the only senior executive who is also a member of the governing body. The remaining internal members of the governing body are members of academic and non-academic staff and one student (who is not automatically the student union president).





## **Appendix 2 – interview protocol**

### **The effectiveness of the governing bodies of UK higher education institutions**

1. Explain own purposes, etc. See if any immediate queries and address if so.
2. Invite interviewee to indicate length of involvement in the governing body and (if relevant) s/cttees. Explore how they came to join the GB; what led them to be interested; what they get out of it. (?explore, if possible/relevant, why they value the role, etc.)
3. Invite comment on interviewee's perception of the main role(s) of GB. Who is GB answerable to?

And what about own role as individual GB member?

4. What about effectiveness? What does interviewee think constitutes effectiveness; what is an effective GB? (Introduce issues such as roles of Chair and VC, personal interactions, codes of practice, CUC guide, Schofield, etc, if not brought up by interviewee. Perhaps also touch on role of CUC, HEFCE, LFHE if not brought up by interviewee.)

How confident is interviewee that GB is/would be able to identify critical issues in full range of university's activities?

5. What about relevance of governance arrangements in other sectors? E.g. pressure to import models and approaches from corporate world; relevance of arrangements in, say, NHS?
6. How does interviewee perceive roles of different categories of GB members (e.g. external v staff v student v exec)? What about other aspects of uni governance – e.g. input from senate?
7. Check if any questions, or anything else they wish to say that has not been addressed. Introduce governance models if time permits.



### Appendix 3 – consent form

David Buck  
Institute of Educational Technology  
The Open University  
Walton Hall  
Milton Keynes  
MK7 6AA

d.j.buck@open.ac.uk

<date>

#### CONSENT FORM

Thank you for agreeing to take part in this research project exploring aspects of the governance of UK Higher Education Institutions. The study is being carried out as part of a programme of doctoral research at the Open University. It is being undertaken in accordance with the requirements of the University's ethical guidelines, and taking account of the ethical and other relevant guidelines of the Economic and Social Research Council and the British Educational Research Association.

To enable the requirements of the ethical guidelines for the conduct of research to be met, all participants in the study are requested to complete a consent form confirming that they understand the nature of the research project, and the ways in which data will be collected, analysed and reported. I should therefore be grateful if you could complete the Consent Form printed on the reverse of this sheet.

If you have any queries please let me know. If you want to talk to someone else at the Open University about this research, you can contact Mr William Locke (Centre for Higher Education Research and Information, 44 Bedford Row, London, WC1R 4LL [w.d.locke@open.ac.uk; 020 74472553] and Professor John Richardson (Institute of Educational Technology – address as above [j.t.e.richardson@open.ac.uk; 01908 858014]).

Thank you for your assistance.

David Buck

**Research Project concerning the governance of Higher Education Institutions in the United Kingdom**

**CONSENT FORM**

I understand that my participation in this study will involve my being interviewed by the researcher about my views of aspects of the governance of Higher Education Institutions (HEIs) in the United Kingdom. I understand that the interview will either be digitally recorded, or that the researcher will write notes summarising the contents of the interview. I also understand that a transcription of any recording, and/or copies of any notes made, will be provided to me subsequent to the interview, in order that I may correct any factual inaccuracies.

I understand that information obtained from the interview will be analysed by the researcher in conjunction with information gathered from a number of other people associated with a range of UK HEIs.

I understand that participation in the study is entirely voluntary and that I can withdraw from the study at any time without giving a reason. I note that I can ask questions at any time and that I am free to discuss any concerns with the researcher, or with the researcher's supervisors at the Open University, Mr William Locke or Professor John Richardson.

I understand that the information I give in the interview will be used anonymously in the study and in any future publications, and that every effort will be made to ensure that comments cannot be attributed to me personally, nor associated with my institution, unless I give my explicit consent for such attribution to be made. I understand that if I say something that I do not want to be used in the study I can ask for it to be excluded.

I understand that quotations from the interview may be used anonymously in the study and in any future publications.

I

\_\_\_\_\_ (Print name)

consent to participate in the study being undertaken by David Buck (Institute of Educational Technology, Open University) under the supervision of Mr William Locke (Centre for Higher Education Research and Information, 44 Bedford Row, London, WC1R 4LL [w.d.locke@open.ac.uk; 020 74472553] and Professor John Richardson (Institute of Educational Technology, The Open University, Walton Hall, Milton Keynes, MK7 6AA [j.t.e.richardson@open.ac.uk; 01908 858014])

Signed:

.....

Email or postal address:

.....

Date: .....

## Appendix 4 – copy of letter confirming ethical approval

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From John Oates  
Chair, The Open University Human Participants and  
Materials Research Ethics Committee  
Research School  
Email j.m.oates@open.ac.uk  
Extension 52395

To David Buck, research student in CREET/IET.

Subject The effectiveness of governing bodies in UK Higher  
Education Institutions

Ref HPMEC/2009/#554/1

Date 15 April 2009

This memorandum is to confirm that the research protocol for the above-named research project, as submitted on 24<sup>th</sup> March 2009, is approved by the Open University Human Participants and Materials Ethics Committee, subject to satisfactory responses to the following:

You are asked to:

1. include your telephone number with your other contact details;
2. include the right to destruction of participant data on request up to a defined date such as the date of data aggregation;
3. amend the reference to confidentiality of all data to clarify the confidentiality of personal identity and the anonymisation of other data.

At the conclusion of your project, by the date that you stated in your application, the Committee would like to receive a summary report on the progress of this project, any ethical issues that have arisen and how they have been dealt with.

John Oates  
Chair, OU HPMEC



## Appendix 5 – example of letter sent to governing body members

<Date>

Dear Governing Body Member

### Research into aspects of the governance of Higher Education Institutions in the United Kingdom

I am writing to you about research that I am undertaking into aspects of the governance of Higher Education Institutions in the UK. The <chair of the governing body>, <name>, has kindly agreed that I might approach governing body members at <institution name> in connection with this research, and the <University Secretary> has very helpfully asked his colleague, <name>, to assist me in contacting you.

The principal aim of my research is to explore the perceptions governing body members have of their roles in contributing to the work of the governing body, and of the role(s) of the governing body as a body in relation to the wider university. Within these broader contexts, I am also interested in exploring views as to what constitutes effectiveness in university governance, and the extent to which governing body members feel they are able to contribute in that capacity to the success of the university.

I am seeking to collect data for my study primarily through interviewing members of the governing bodies of universities, including <name of institution>, and I hope that you may feel able to agree to take part in one of those interviews. I expect each interview to take about an hour, or just over. Subject of course to the permission of each interviewee, I plan to record the interviews. I would hope to schedule the interviews in such a way as to minimise any inconvenience and in this regard I should be happy to conduct interviews somewhere other than the university if that might be helpful.

By way of background, I should mention that the study I am engaged in forms part of research towards the degree of PhD in the Institute of Educational Technology and the Centre for Research in Education and Educational Technology at the Open University. Before embarking on this research, I spent some twenty years working in university administration and management at the universities of Cambridge, Warwick, Newcastle and, most recently, Cranfield. At Cranfield I was the University's Academic Registrar and Secretary. I was therefore secretary to Cranfield's governing body, and it is from having held this role that much of my interest in governance stems.

I should also add that my work is funded by the Open University, but has not been commissioned by any organisation. In addition, all the information I obtain directly from individuals interviewed as part of the study will be treated as strictly confidential. In analysing and reporting my conclusions, I shall ensure, as far as possible, the anonymity both of the institutions that I have included in the study and of any individuals that I interview.



I would of course be happy to provide further details of my research if you might find that helpful. In addition, if you want to talk to someone else about my research, you can contact either or both of my Open University supervisors, Mr William Locke and Professor John Richardson. William is based at the OU's Centre for Higher Education Research and Information (44 Bedford Row, London, WC1R 4LL; w.d.locke@open.ac.uk; 020 74472553) and John is, like me, at the Institute of Educational Technology (mailing address as above; j.t.e.richardson@open.ac.uk; 01908 858014).

I hope, however, that in the light of the information I have provided here you will feel able to agree to take part in an interview. If so, perhaps you would be kind enough to let <name> know, so that s/he might then liaise with you to find a convenient time and date.

Yours sincerely

## **Appendix 6 – Summary details of the arrangements associated with the observation of two governing body meetings at Civic university**

There were 28 people at each of the two meetings observed (excluding the researcher as an observer), comprising 18 members and 10 attendees at the first (spring) meeting and 16 members plus 12 attendees at the second (summer) meeting. There were 26 items on the agenda for the spring meeting, of which four were classed as not for discussion. The equivalent figures for the summer meeting were 29 items, with 11 not for discussion. Each meeting lasted for around three hours, which was apparently the typical length of time for meetings of this governing body.

The physical setting for the meetings was a room arranged boardroom style which accommodated a table only just big enough for the number of people present (i.e. its capacity was around 30, or just over). The room was the one routinely used for governing body meetings. The chair, the Vice-Chancellor, the registrar (who was also the governing body secretary) and a minute secretary sat together at one end of the room. There was no seating plan for the other members and attendees, although there appeared to be a tendency for members of the executive in attendance to sit near to one another if there was space for them to do so. The two student members mentioned to me that they always tried to sit together, for mutual support and so that they could quietly consult one another during the meeting if necessary.

Although present only as an observer, I was seated at the main table. I was explicitly welcomed at the start of each meeting, and at the start of the spring meeting I was invited to provide some information about my research and hence my presence. I had by then already interviewed some of the governing body members and I had in addition previously met three of the executive attendees (in my former professional capacity). Over the course of the two meetings observed, I formed the view that my presence had no obvious affect on the behaviour of the governing body members and attendees. This perception appeared to be shared by at least some of the other people present, because of comments received in passing after the meetings (from people I had already interviewed) to the effect that I should now be able to see what they had meant when they had described some aspect of the governing body's activities during our previous conversation. In addition, similar remarks were made

during all four of the interviews undertaken the day after the spring meeting, when people said things such as:

'We saw some interesting little vignettes into that yesterday.' (Civic 7, executive attendee; speaking about his perception that the chair tended occasionally to display an urge to manage rather than govern.)

'Everyone was really friendly and I think, like you saw yesterday, it's quite jovial sometimes.' (Civic 8, internal, student; describing her experience of joining the governing body.)

'You saw that yesterday.' (Civic 9, external, chair; talking about the importance of constantly improving and moving forward.)

'Yesterday was a fairly good example of that' (Civic 10, internal, non-executive; referring to what he felt was the excessive quantity of 'rather tedious, quite technical, sort of business'.)

Overall, therefore, although I recognise that the behaviour of some individuals may nonetheless have been altered by my presence, I felt confident that any such changes were limited and that the meetings I observed were typical of normal, unobserved meetings, in terms of members' interactions, behaviours and contributions.

Contemporaneous notes were made of each of the meetings observed, and as far as possible a record was made of:

- who spoke and for approximately how long;
- how long individual items took;
- what side conversations and other activities took place.

An attempt was also made to judge the extent to which people were actively engaged in the meeting by noting whether they appeared to be paying attention to the speakers (for example, looking at them as they spoke), as opposed to reading their paperwork, or generally gazing around the room. Judging these last matters is necessarily a subjective process, but at times I formed quite strong impressions that people were engaged, or not, with the subject under discussion and therefore felt it appropriate to note the fact.